



HONOLULU AUTHORITY for RAPID TRANSPORTATION

BUSINESS PLAN
for
FY2016

May 2015

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Glossary of Acronyms

AHJV	Ansaldo Honolulu Joint Venture
AIS	Archaeological Inventory Survey
AIT	Art-in-Transit
BOD	Board of Directors for HART
CE&I	Construction engineering and inspections
CM	Construction Management
DB	Design-Build contract project delivery method
DBB	Design-Bid-Build contract project delivery method
DBE	Disadvantaged Business Enterprise
DBOM	Design-Build-Operate-Maintain contract project delivery method
DPP	Dept. of Planning and Permits, City & County of Honolulu
DTS	Dept. of Transportation Services, City & County of Honolulu
EIS	Environmental Impact Statement
FD	Final Design
FEIS	Final Environmental Impact Statement
FFGA	Full Funding Grant Agreement
FTA	Federal Transit Administration
GEC	General Engineering Consultant
GET	General Excise Tax
HART	Honolulu Authority for Rapid Transportation
HCDA	Hawaii Community Development Authority
HDOT	Hawaii Department of Transportation
HECO	Hawaiian Electric Company
HFD	Honolulu Fire Department
HPD	Honolulu Police Department
H RTP	Honolulu Rail Transit Project
JD	Joint Development
MMIS	Maintenance Management Information System
MOU	Memorandum of Understanding
MSF	Maintenance and Storage Facility
NEPA	National Environmental Protection Act
OCC	Operations Control Center
OCIP	Owners Controlled Insurance Program
OIBC	Oahu Island Burial Council
O&M	Operations and Maintenance
OSB	Operations and Servicing Building
PE	Preliminary Engineering
PLA	Project Labor Agreement
PMSC	Project Management Support Consultant
PMP	Project Management Plan
P3	Public-Private Partnership
QA	Quality Assurance
QAP	Quality Assurance Plan
RCMP	Risk and Contingency Management Plan
RFI	Request for Information
RFP	Request for Proposals
RFQ	Request for Qualifications
ROC	Rail Operations Center
ROD	Record of Decision
ROW	Right-of-Way
SHPD	State Historic Preservation Division
SSCP	Safety and Security Certification Plan
SSMP	Safety and Security Management Plan
TAC	Transit Art Committee
TMSC	Transit Management Services Contractor
TOD	Transit-Oriented Development
TSA	Transportation Security Administration
TVA	Threat and Vulnerability Analysis

TVM	Ticket Vending Machine
VE	Value Engineering
YOE	Year of Expenditure

HART FY2016 Business Plan

Introduction and Executive Summary

This document constitutes the fifth annual Business Plan for the Honolulu Authority for Rapid Transportation (HART) covering fiscal year 2016 (July 1, 2015, through June 30, 2016). The Business Plan describes HART's business strategies, planned work activities and resource allocations during fiscal year 2016 in accordance with the agency's responsibility for building and ultimately operating the Honolulu Rail Transit Project (HRTTP), from East Kapolei in West Oahu to Ala Moana Center scheduled to begin in calendar year 2020.

The FY2016 HART Business Plan describes why HART exists as an organization; the goals and performance measures the agency has established; what it will seek to accomplish during its fifth year; and how it will go about performing its responsibilities. The HART Board of Directors (BOD) will review and approve the FY2016 Business Plan in conjunction with its final approval of an FY2016 Budget. The annual Business Plan provides historical information and a projection of key operating and financial information for the fiscal year which is the focal point of the Plan. When HART completes the HRTTP and becomes an operating agency, future business plans will provide not only historical information but also include look-ahead projections of operating and financial information two years beyond the fiscal year which is the focus of the Business Plan.

FY2016 Executive Summary

FY2016 will be another critical year for HART coming on the heels of what turned out to be a very challenging FY2015. Events during FY2015 caused HART to take affirmative steps to reset the HRTTP budget and schedule and to seek additional funding to complete the project in light of the new financial realities the agency faces. Despite these difficulties, as the agency enters the new fiscal year, there are many reasons to be positive about where things are at. Sixty percent of the construction contracts for the project have been awarded and construction work is proceeding in an effort to catch-up with delays caused by past litigation. No new litigation has been initiated on the project. Federal support for the project is strong and running close to plan. There remains a high level of interest in creating transit-oriented development (TOD) around rail stations with several projects in the works. And at the end of FY2015, the agency's financial situation has improved with passage by the Legislature of an extension of the GET surcharge that will help cover increased construction costs and an expected shortfall in the project's revenue sources.

Despite these positives, HART will face very big challenges in FY2016 and over the next several years. Major construction contracts will be bid and awarded during the year totaling nearly \$1.8 billion in contract value. The agency will need the City and County of Honolulu to approve the extension of the GET surcharge and issue short term debt to help deal with cashflow needs for the increasing level of expenditure that will occur as a result of all the construction activity on the project. The agency's Financial Plan will need to be updated to reflect the revised project budget and changed revenue picture. Finally, and of critical importance, will be HART's efforts to manage the ongoing construction against the reset

schedule and budget for the project while mitigating traffic impacts and maintaining communications with businesses and residents along the route under construction.

During FY2016, several major policy and project decisions must be made by HART. These include:

- Updating the agency's Financial Plan to reflect the extension of the GET surcharge and the results of solicitations for the remaining \$1.8 billion in construction contracts
- A decision in the third quarter of FY2016 on how to proceed with the Pearl Highlands Parking Garage and whether to seek creation of a public-private partnership (P3) for TOD at the Station that would include parking for the rail line
- A decision on whether to initiate planning for future extensions of the rail line during FY2016 or delay any such effort until a future time
- Various Fare Policy decisions to guide design of the rail and bus fare collection system need to be made by the middle of FY2016
- Various decisions that concern the future operations and maintenance of the integrated rail and bus system including: the integration of administrative functions between HART and the City and County's bus operation to save money and provide good customer service; how the rail line will be policed by law enforcement; and how HART will execute its oversight of its operating contractor and carry out the functions it will be responsible for such as inspections and repairs of stations and the aerial guideway structure
- Progress on determining how the operations and maintenance of the combined rail and bus public transportation system will be funded by the City and County of Honolulu in the future.

Under the work program planned for FY2016, by the end of the fiscal year, HART will have achieved several milestones for the project. Approximately 45% of the rail guideway will have been completed. Construction of the Rail Operations Center (ROC) will be complete and the first railcars will be on site. Construction will be underway on all of the 9 stations on the western portion of the alignment. Contracts for construction of the remaining sections of guideway and the remaining 11 stations will have been awarded. Property acquisitions, third party agreements and any needed permitting are targeted for completion by the end of FY2016 in time for work on the Airport and City Center sections to begin during FY2017.

However, during the year, the agency will continue to face a number of risk factors that could further impact the schedule and budget for the project and the assumptions that have been made on both aspects. This includes the following:

- The high level of construction on Oahu has and will continue to result in greater competition for resources in a confined, remote marketplace and result in higher costs for materials, labor and construction equipment
- Timely availability of construction sites for contractors to avoid costly delays
- Timely relocation of utilities along the alignment
- Interest rate increases driven by marketplace dynamics, world events and federal policy actions
- Actual vs. planned General Excise Tax (GET) surcharge growth in the future.

HART experienced the impacts of some of these risks in FY2015. The agency took steps to address the impacts by re-setting the project's budget and schedule and will do so again if circumstances require action to be taken. HART will continue to take steps to minimize or protect against potential impacts to the maximum extent possible while carrying out the implementation of the H RTP. Specific actions include at least the following:

- Monitoring and controlling the pace of construction and carefully evaluating change orders that arise
- Taking steps to foster greater competition for the upcoming construction contracts
- Timely award of these construction contracts
- Completing permitting, utility relocations and property acquisitions in a timely manner to avoid construction delays
- Managing the project scope and budget carefully to maintain a cost cushion against exceptional cost increases and/or underperforming revenue receipts while still delivering a quality product for the public to use and one that is consistent with the commitments HART has made and with the project's Final Environmental Impact Statement (FEIS)
- Making needed policy decisions in a timely fashion
- Maintaining the organization's technical capability and financial capacity to successfully carry out implementation of the project as well as preparations for the start of passenger service.

Agency Progress: FY2015 Highlights

FY2015 was HART's fourth year of existence. During the year, the agency continued to make progress toward achieving the vision of bringing rapid transportation to Oahu despite the challenges created by the super-heated level of construction underway on the island and past litigation-related delays to the project schedule. Shown below is a brief summary of major events, challenges and accomplishments that occurred during HART's fourth year:

Litigation Matters:

No new litigation concerning the project was initiated in FY2015. Successful resolution of both the State and Federal court cases in FY2014 ended all outstanding litigation that had delayed the project's implementation. However, the 13 month project schedule delay caused by that previous litigation continued to bedevil the project in FY2015. This delay contributed to the approximately \$170 million in delay claims the project has incurred.

Project Delivery:

- Significant construction progress was made in FY2015. As of the third quarter, the following construction had been completed:
 - 145 guideway support columns in place
 - 210 column foundations completed
 - 2,400 guideway segments had been cast
 - 100 spans erected or more than 2.5 miles of guideway structure
 - First rail installed on the guideway and at the ROC
 - 65% of the ROC completed

While the construction of the guideway is behind schedule, the ROC is on schedule to be completed by spring 2016 in time for delivery of the first railcars to Oahu. The Core Systems contractor Ansalod Honolulu Joint Venture (AHJV) is on schedule with the design and manufacture of the project's railcars for the start of delivery of the first railcars in 2016.

- With this construction and equipment progress, as of the third quarter, the overall project status can be quantified approximately as follows:
 - Percentage of overall project completed = 32.0%
 - Percentage of design completed = 83.4%
 - Percentage of construction completed = 21.1%
 - Percentage of utility work completed = 14.8%
- While progress was made in FY2015 under previously awarded construction and systems contracts, the letting of new construction contracts programmed for FY2015 ran into major problems. Bids received for the 9 station Westside Station Group greatly exceeded budget estimates. This occurrence resulted in the cancellation of the solicitation and the suspension of the procurement for the Pearl Highlands Garage. A major effort was then undertaken to review the project including an analysis of the new circumstances now facing HART with the high level of construction underway on Oahu. This effort considered ways to reduce costs and maintain the 2020 opening date for the project and included extensive contractor interviews. Updated cost estimates were

developed for the Westside stations and the remaining portions of the rail alignment. The result of these efforts was a new plan for how construction of the remaining project elements should be carried out. This revised plan includes a re-packaging of contracts and a change in the delivery method for the eastern 10 mile section of the rail alignment with the following specific elements:

- Construction of the nine Westside stations was broken up into three packages of three stations each to increase competition.
- The schedule for the start of interim service on the Westside was pushed back from 2017 to 2018 to ease schedule pressure on prospective contractors.
- The construction of the eastern portion of the rail alignment, including both the guideway and the stations, will be broken into two sections both of which will be procured using the design – build (DB) project delivery method.
- A separate contract will be let for utility relocation and miscellaneous civil work in the City Center area.
- Implementation of the above described plan will be as follows:
 - Construction of the first three Westside station on Farrington Highway was advertised and five bidders responded with the low bid being close to the revised cost estimate for the group
 - Solicitations for the remaining construction contracts will be issued by the end of 2015 and are expected to be executed by the end of FY2016. These includes:
 - Airport Guideway and Stations
 - City Center Guideway and Stations
 - City Center Utilities and Civil Work
 - West Oahu Station Group
 - Kamehameha Highway Station Group
 - H2R2 Ramp
 - The Pearl Highlands Garage project will remain on hold until bids or proposals are received on the construction contracts listed above. A decision on how to proceed with this element of the project’s scope will be made the third quarter of FY2016.
- Land Acquisition: HART has obtained construction access to approximately 90% of the land area required for the project. To date, the real estate expenses are running \$10.4 million under budget. Out of 234 property acquisitions identified as needed for the HRTTP, to date, HART has acquired title to 81 properties at a cost of \$70.8 million. Out of 124 identified relocations, HART has completed 83 relocations, and 41 are in progress. Of the remaining relocations, 4 are residential, 37 are business. In addition, one non-profit organization has already been re-located.
- Utility Relocation: During FY2015, work was underway across the length of the first 10 miles and in the section between Aloha Stadium and the Middle St. Transit Center past the Honolulu Airport. HART staff worked to resolve issues with HECO on their work progress; the power supply needs of the ROC; and on future relocation issues especially along Dillingham Blvd. with its high voltage line.
- Procurement Activities: During FY2015, the following procurement results occurred:
 - Bids for the nine stations on the Westside portion of the alignment were advertised and bids received. As previously noted, the bids came in significantly over budget which resulted in a major effort to re-look at the project’s cost estimate, schedule and contracting approach.

- Contracts awarded included: On-Call Construction Contractor I and II; Airport Section Guideway Seven (7) Pier Construction Contract; Airport Section Utilities Construction Contract; Farrington Highway Station Group; and the H2R2 Ramp.
 - Contract awards pending at the end of FY2015 include: Fare Collection Technical Support and an additional CE&I contract.
- Planning: Activities completed in FY2015 included:
 - Acceptance of the burial treatment plan by the Oahu Island Burial Council (OIBC)
 - Acceptance by the State Historical Preservation Division of the Archaeological Inventory Survey(AIS) plan for the City Center
 - Completion of key environmental post-ROD documents for the Federal Transit Administration (FTA) refining certain project elements with the conclusion of no material effects to the ROD.
- Construction Outreach: During FY2015, HART held its third “Industry Day” event to educate local construction businesses and Disadvantaged Business Enterprise (DBE) firms on the opportunities for work on the project and to facilitate connections between prime contractors and subcontractors. These events are expected to increase competition for future construction contracts which will help keep construction costs as low as possible and should also increase participation by local firms and DBE’s in the project.
- Job Creation: In FY2015, the number direct jobs working on the project increased to 1,400 of which about 63% are local jobs. This level of job creation is on a pace consistent with the project’s status toward achieving 4,000 direct jobs created in the 2016-18 construction period.
- Art-In-Transit (AIT) Program: The Transit Art Committee (TAC) composed of art and design professionals and HART staff evaluated over 400 “Call for Artists” applications to select artists for the 21 stations and the Operations and Service Building at the Rail Operations Center. The “Call for Artists” and evaluation process took longer than expected, which delayed expending the budgeted funds. The AIT is currently in the confidential procurement process.
- TOD: In FY2015, HART continued to devote staff time to land use planning and coordination with partner agencies and surrounding landowners. HART staff participated in the City and County of Honolulu Mayor’s Subcabinet on TOD. This Subcabinet brings together the directors and deputy directors of every city agency to identify ways to work together to enhance TOD facilities and break down silos that could exist between different municipal agencies. During the year, the TOD Stakeholders Advisory Group composed of representatives from HART, the City, the State and private development interests and various other organizations and groups, held its first meeting. In February, HART also submitted comments on the Hawaii Community Development Authority (HCDA) Draft Environmental Impact Survey (EIS) for the Kakaako Community Development District TOD Overlay.
- Construction and Traffic Impact Mitigation: HART continued to take a multi-pronged approach in FY2015 to keeping the public informed about construction and traffic impacts to communities and businesses along the alignment. Numerous community, town hall, and business meetings were held to address community and business concerns. HART staff also canvassed affected areas in advance of construction work, as well as disseminating traffic information to news media outlets and staffing a 24/7 project hotline.

Finances:

- Events in FY2015 produced a significant change in HART's financial picture. The significantly over budget bids for the Westside Station Group and feedback received from the construction community caused a re-setting of the project's budget and schedule. A new estimate of the cost to complete the project was prepared which added \$594 million to the cost of the project. In addition, continued shortfalls in actual GET receipts during the year indicated that this critical funding source could come in \$100 million less than what had been assumed in HART's Financial Plan. Finally, concerns were raised about the Financial Plan assuming the use of \$210 million in federal Section 5307 formula funds that in the past had gone to support Oahu's extensive bus system. These three events combined to produce roughly a \$910 million shortfall in the Financial Plan for completing the H RTP.
- To address this problem, HART staff worked with the HART Board of Directors and with the Mayor and City Council to develop a plan for covering the \$910 million. This effort determined that the best course of action was to approach the State Legislature to seek an extension of the GET surcharge beyond its scheduled sunset date of December 31, 2022 to cover the increased cost of the project and the shortfall in revenue available to the project. As of the writing of this Business Plan, the State Legislature had approved a five year extension of the GET which has been sent to the Governor for signature.
- HART expects to receive \$171.4 million in FY2015 from the FTA bringing total federal funding actually received to date for the H RTP to \$426 million. Congressional appropriations for the project are \$1.056 billion which is approximately two-thirds of the \$1.55 billion committed to the project in the Full Funding Grant Agreement (FFGA). The President's 2016 budget includes another \$250 million for the project, again the largest amount for any New Starts project in the Country.
- Continued to work on improving HART's financial reporting to the HART Board, the City Council and the State Legislature and to the community through the HART website. The monthly reports and the agency's quarterly Balanced Scorecard are distributed widely and regularly.
- Completed the agency's third annual financial audit cycle, which yielded overall favorable conclusions and no findings. Issued the third annual financial statement for HART since becoming a semi-autonomous unit.
- GET collections in FY2015 are expected to total \$227.2 million bringing the total collected to date to \$1.53 billion which is \$30.5 million less than forecast in the June 2012 Financial Plan. Recent receipts came in better than expected but the projected \$100 million GET shortfall remains an issue.
- Satisfactorily resolved outstanding construction delay claims at a cost of \$170 million. The project Contingency is projected to have a balance of \$451 million at the end of FY2015.
- During FY2015, HART implemented an Owners Controlled Insurance Program (OCIP) which provides coverage for Workers Compensation, General Liability and Excess Liability for Construction Contractors performing work within the physical geographical limits of the project. It also includes such coverage for designated sites not within the physical limits of the project such as the casting yard and storage facilities. HART also provides Builders Risk coverage for Construction Contractors while performing construction work on the project within the project limits, including designated sites not within the physical limits of the project. The On-Call Construction Contracts are not

covered by the OCIP and are not covered by Builders Risk. Marsh is the HART OCIP consultant and Aon Hawaii is providing brokerage services.

Organizational Development:

- In FY2015, HART made significant progress on developing the organization to meet the challenges the project faces:
 - Progress was made in building staff capacity and technical capability in the Design and Construction Management Department to handle change management and oversee construction management activities during the coming years. In this regard, a decision was made to separate the procurement and contract administration functions and hire experienced individuals to head-up both functions. Several key positions were filled including:
 - Project Director
 - Deputy Director of Construction
 - Assistant Deputy Director of Construction
 - Deputy Director of Planning
 - Director of Procurement
 - Two Procurement Specialists
 - Transit Contracts Manager
 - In addition, key positions were filled in other HART departments including:
 - Fare System Project Manager
 - Director of Special Projects
 - Transit Grants Manager

These efforts are mindful of the need for HART to continue to have the technical capacity needed to carry out the largest public works project in Hawaii's history and to meet FTA requirements in accordance with the FFCA. All of the above positions were filled with people that have substantial experience in dealing with the type of construction and technology that are inherent in the HRTS. In addition, HART continued the transition of consultant provided embedded staff in several positions to positions held by HART employees.

- Training activities for HART staff continued in FY2015 covering a wide variety of areas including ethics awareness; safety awareness; the Contract Management System and various other computer systems; procurement; quality assurance; civil rights; and environmental related areas.
- On Fare Policy, major progress was made in FY2015. The Board's Permitted Interaction Group (PIG) continued to work on developing a Fare Policy and made several decisions that were presented to the full HART Board. These decisions, which were reached in partnership with the Department of Transportation Services (DTS) and its Transit Management Services Contractor (TMS), included changing to a barrier fare collection system versus the originally planned proof-of-payment system; pursuing procurement of a joint rail and bus fare collection system with costs split between HART and DTS; using account-based smart card technology; and preliminary decisions on how the fare revenue system will be operated and maintained in the future. With these key decisions made, steps were taken to procure the joint rail – bus system. An effort was started to craft a Memorandum of Understanding (MOU) between HART and DTS for the joint fare system and is expected to be finalized by the end of FY2015. A Request for

Qualifications (RFQ) was issued to solicit technical support for procuring the fare collection system. A Request for Information (RFI) was issued to fare system suppliers and 13 responses were received. Preparation of a Request for Proposal (RFP) to procure the system is in development and is expected to be issued in the first quarter of FY2016. There are still several Fare Policy decisions that need to be made, which will require collaboration amongst HART, DTS, its TMSC, and the Honolulu City Council. A new PIG was approved by the HART Board to begin the work needed to finalize the complete Fare Policy in FY2016 in conjunction with the procurement of a vendor to supply the new fare collection system.

- Preparing for future operations:
 - Agency Staffing - A draft staffing plan was submitted to the HART Board and will be refined over the next two years as the date for initial service operations approaches.
 - Service Scheduling - A final decision was made to operate four-car train consists and negotiations are underway with the Core Systems contractor AHJV on how this change will be handled.
 - Bus – Rail Integration: The working group established with DTS and its transit management contractor OTS continued its work on exploring how best to integrate bus and rail services, as well as opportunities for consolidating administrative and other functions between HART and DTS/OTS to improve cost efficiency and customer service.
 - Maintenance Management Information System (MMIS) – The Core Systems contractor AHJV has retained a subcontractor and has begun work on developing the MMIS system. This system will be used by them, HART Operations, and other vendor contractors as an integrated maintenance tracking and scheduling system.
 - Policing – A “white paper” describing an approach, resource requirements and the laws and rules that will be needed was drafted and is under review.
- On Safety and Security, several things were achieved or done in FY2015 including:
 - Achieved an on-the-job injury rate of 0.6 injuries per 100,000 work hours, well below the 3.8 injuries per 100,000 work hours typically experienced by projects of a similar size and complexity.
 - Various HART committees continued to meet regularly including the Fire-Life-Safety Working Committee; the Safety and Security Review Committee for design reviews; and the System Safety Executive Committee made of senior HART staff.
 - Activities related to Safety Certification of the entire rail line are underway, specifically the process of verifying (thousands) line items in the Design and Construction phase to ensure compliance with Federal, State, City, local laws and regulations, and that best practice codes and guidelines are followed and hazards are mitigated to ensure the safest transit system possible.
 - An initial training of first responders was held during FY2015. There were no formal emergency drills or table top exercises held during the year.
 - In the area of Federal Rail Safety Oversight requirements, HART staff met regularly with the State Department of Transportation (HDOT) and quarterly with FTA representatives to review a wide range of matters associated with project design, construction and future operations.

- Staff held regular meetings with the Core Systems contractor AHJV and began preparations for the initial safety certification of the ROC in anticipation of initial occupancy of the facility occurring in early 2016 when the first railcars are scheduled to arrive.
- Completed a four Threat & Vulnerability Analyses including ones involving U.S. Navy facilities.
- On Equal Employment Opportunity (EEO/DBE) matters, HART achieved the following:
 - DBE participation on the project to date totals 5.7% of FTA funding drawdowns against the approved project goal of 13%. This is slightly less than the FY2014 level of 6.3%. Participation results are expected to improve as additional construction contracts are let in FY2016 and beyond.
 - Staff undertook efforts to work with contractors whose DBE performance was lacking making use of specific DBE participation requirements incorporated in newer contracts let by HART.
 - The third HART Industry Day event mentioned earlier had significant DBE firm participation which is expected to result in greater DBE involvement in the remaining contracts to be let.
 - The agency's workforce utilization profile remains very close to matching the service area's population make-up with underutilization existing in only four areas which will continue to be a focus in future staff recruitments.
 - Staff worked with DTS representatives to update the combined EEO Program in accordance with FTA requirements and expectations.

HART Business Strategy

Public transportation is a service business that utilizes both human and physical assets to deliver its product in the marketplace. A transit agency is in competition with the automobile to increase its share of the travel market. Success in achieving a greater market share requires that a transit agency have a clear strategy for how it will go about delivering its product to prospective consumers. As a public agency, HART's business strategy must not only be easily understandable to the agency's employees and contractors but must also be understandable to the general public.

This section of the FY2015 Business Plan describes the basic elements of the HART business strategy. The elements include statements on why the agency exists and what it is trying to achieve, as well as a framework for how HART will go about accomplishing what the public has asked it to do. This framework includes Goals and a "Balanced Scorecard" (BSC) for measuring and tracking over time how well HART is doing its job. A later section of the FY2016 Business Plan describes the organizational development strategy HART is utilizing to achieve its Mission and Vision and accomplish the Goals the BOD has established.

Mission Statement *(why the agency exists)*

HART's Mission is to plan, design, construct, operate and maintain Honolulu's high-capacity, fixed guideway rapid transit system.

Vision Statement *(what HART is trying to achieve)*

In accomplishing its Mission, HART will contribute to the quality of life on Oahu by:

- **Mobility**: Improving mobility for all residents, visitors, and businesses on Oahu particularly in the densely populated and congested corridor along the urbanized southern shore of the island.
- **Reliability**: Improving the reliability of travel in the corridor by offering a travel choice that will not be subject to at-grade level traffic congestion.
- **Land Use**: Supporting the City's land development policy by providing access to an area targeted for development of a new urban center and helping create TOD along the rail line.
- **Equity**: Providing people who are dependent on public transportation with an improved means of accessing economic and social opportunities and activities.
- **Sustainability**: Protecting the environment and lessening dependence on non-renewable fossil fuels.

Note: This **Vision Statement** is based in part on the EIS prepared for the H RTP.

Goals *(how HART will go about accomplishing the Vision and fulfilling its Mission)*

In order to accomplish its Mission and realize the benefits described in the Vision, HART must accomplish the following goals:

1. **Project Delivery:** Complete the project on time and within budget while:
 - Ensuring the safety and security of the public, HART employees, and construction workers;
 - Minimizing the impacts on adjacent natural, cultural, and built environments and communities; and
 - Fulfilling environmental mitigation commitments.
2. **Service Delivery:** Ensure that the design and actual construction of the project will facilitate the delivery of safe, high quality, and cost-efficient service in the future.
3. **Stewardship of Resources:** Maintain public trust through the prudent and transparent use of financial, human, and environmental resources.
4. **Livability:** Support the creation of mixed use, pedestrian-friendly, compact development along the rail line.
5. **Partnerships:** Pursue partnerships with the private sector to create economic opportunities and generate income and cost savings for the rail transit system.
6. **Agency Culture:** Foster an organization that is open, accountable, inclusive, and delivers better than promised results.

Performance Metrics

Performance expectations and metrics flow out of the Vision and Goals for the agency and are intended to help an organization measure its progress toward achieving the Vision and Goals. Performance metrics for HART will help the BOD and agency management, as well as the Authority's stakeholders and the general public, measure and evaluate the agency's progress and will aid in maintaining transparency on what HART is doing with taxpayer money. Management staff will compile and provide periodic reports to the BOD on the performance metrics. The information will also be reported to the City Council and the community in an annual report.

Performance metrics for HART have been incorporated into a BSC for the agency. The BSC establishes and will track over time metrics that measure performance in achieving the Goals which the BOD has established for the agency. The proposed HART BSC is shown in **Appendix A** of the Business Plan.

As shown in Appendix A, the HART BSC is structured to provide performance measures and metrics encompassing the six Goals the BOD has approved. The BSC establishes the fiscal year objectives for each measure. Space is provided for HART management to provide information on actual results or status for each of the performance measures and metrics delineated in the BSC during quarterly reports to the HART BOD. These reports will include

a summary of any material changes in the status of performance measures to enhance the transparency of the progress being made on implementing the H RTP.

In FY2016 and for the next several years HART will be engaged in completing the design and construction of the H RTP. The earliest that actual operation of rail service will begin is calendar year 2018 with the start of interim operations on the western section of the rail line. As such, the BSC shown in Appendix A is heavily oriented toward project implementation. The BSC does include some measures dealing with Service Delivery as it relates to the current project implementation stage of the project. Additional metrics will become meaningful when actual revenue service begins. Illustrative examples of such metrics include:

- Ridership level.
- Reliability measures including:
 - On-time departures/arrivals.
 - Miles between mechanical failures.
 - Elevator and escalator availability (% of time available during operating hours).
 - Fare collection equipment availability (% of time available during operating hours).
- Safety and Security measures including:
 - Accidents per 100,000 passengers.
 - Security incidents per 100,000 passengers.
 - Employee on-the-job injuries.
- Financial measures including:
 - Operating Ratio.
 - Cost per vehicle hour and vehicle mile.
 - Cost per passenger.
 - Accident Claims received/closed/outstanding.

Given the current project implementation focus of HART's business activities, it is envisioned that HART management will provide quarterly updates of the HART BSC in reports to the BOD and the public. When actual revenue service begins on the rail line, monthly BSC reports will become relevant.

Using a BSC which ties to the Goals that HART has established will enable the agency to evaluate its progress on achieving the agency's Mission and Vision and to report to its stakeholders and to the community.

FY2016 Work Program

Agency Business Operations

HART functions as a semi-autonomous agency of the City & County of Honolulu government. During FY2016, HART will continue to use various City business systems and administrative practices as appropriate when conducting the agency's business activities. On an ongoing basis, HART will evaluate the extent to which it should develop its own business systems to improve efficiency and delivery of needed business services consistent with the agency's Mission as described in the previous section.

During FY2016, HART will continue to take steps to further develop the organizational capacity and capability to fulfill its Mission. Several of the actions that will be taken are designed to ensure that HART will maintain eligibility to receive Federal funding for the H RTP. A preliminary listing of the priorities and tasks that will be pursued in FY2016 is as follows:

- Recruit and hire key management, technical, and support staff to fill key vacancies as they occur or needs arise. Recruitments for a new Director of Design and Construction and a Deputy Director of Procurement are underway.
- Address any new requirements stemming from the State Legislature's action to extend the GET surcharge for an additional period of time in response to the financial problems HART has encountered.
- Update the project's Financial Plan during the first quarter of FY2016 to reflect:
 - Extension of the GET surcharge to address the project's \$910 million projected project shortfall.
 - Final actions to issue short term debt to meet the project's cashflow needs as construction proceeds over the next five years or so.
- Update the agency's Human Resources Staffing Plan.
- Continue the creation of an organizational structure and agency culture that will enable the fulfillment of the agency's Mission and Vision. This includes:
 - Provide ongoing staff training, employee develop and succession planning
 - Ensure that effective cost control measures are in place
 - Ensure that processes, policies and work practices are interpreted and applied consistently and effectively
 - Encourage internal communication, teamwork and collaboration across all functions and activities
- Continue to add and/or modify administrative procedures and practices that are specific to a transit agency in areas such as procurement and contract administration, safety and security, employee relations and development, management reporting and those needed in preparation for HART to become an operating agency.

- Maintain a management reporting system on key performance metrics and financial information including:
 - Continue to develop internal processes that will enhance the control over fiscal processes while increasing processing efficiencies.
 - Achieve zero findings in the Authority's annual audit, specifically addressing any deficiencies identified in previous audit reports.
 - Continue to build finance, accounting and internal controls capability.
- Continue development of a brand identity for HART. Take steps to address and dispel misinformation and myths about the project and HART.
- Continue emphasis on safety and security as top priorities during construction and ultimately during future operations.
- Regularly update and communicate with stakeholders, including the Mayor and City Council, state and federal officials, the Oahu Metropolitan Planning Organization Policy Committee and the general public to ensure transparency by providing a flow of information regarding the progress of the HRTTP through electronic means, printed materials and the availability of HART staff.
- Continue efforts to increase local business and DBE participation in the project.

HRTTP Project Implementation

Project Description:

The scope of the HRTTP has remained unchanged despite the increased cost to complete and the revenue shortfalls that came to light in FY2015. **Appendix C** hereto provides a summary description of the project along with background on the planning for the project.

FY2016 Project Implementation Work Activity:

- Overall, during FY2016, HART will advance construction work on the western 10 miles of the rail alignment and the ROC working toward a 2018 start of interim rail operations and will take the steps needed to initiate construction work on the remaining eastern 10 miles of the project working toward the start of full operations of the rail line scheduled for 2020.
- Consulting contracts will be continuing for a Program Management Support Consultant (PMSC); for various design, engineering, construction management and inspection services; and for support in various areas including real estate, cultural resource monitoring, safety and security and oversight of the core systems and equipment contract.
- The HART Operating Budget provides funding for the equivalent of 139 full-time positions for the project including positions provided by the PMSC. The staffing plan for the year as reflected in the organizational charts shown in **Appendix B** includes a

beefing up of staff in the Design and Construction Department to provide the additional capacity needed to tackle the increasing level of contracting and construction activity HART will experience in FY2016 and beyond to the start of full system operations scheduled for 2020.

- Planning & Permitting- During FY2016, activities will include:
 - Monitoring of construction to identify the presence of *iwi kupuna*.
 - Continued coordination and consultations with stakeholders and project partners on AIS and Programmatic Agreement matters.
 - Obtaining all needed permits for the Airport and City Center sections.
 - Monitoring for permit compliance and any renewals required.
 - Subject to policy direction from the HART Board, take steps to initiate planning for future extensions of the rail line.
- Property Acquisition and Third Party Agreements – The objective for FY2016 is to obtain 100 percent site access for contractor while any final property acquisitions transactions or agreements are being completed. Obtaining the services of a second real estate firm to assist in gaining the needed property acquisitions and access agreements is in process. For third party agreements, there are several key transactions that will be completed including construction rights of entry from the US Navy, University of Hawaii and Aloha Stadium. HART right of way staff will continue to work to complete all remaining acquisition transactions in FY2016.
- Design Work – The only design work that will occur in FY2016 will be as part of the two DB contracts for the eastern sections of the project guideway.
- Construction – During FY2016, HART will have major construction work underway including continuing construction of the first 10 miles of guideway and the start of construction on all 9 stations in the initial operating section. By the end of FY2016, the following work is expected to be completed:
 - During FY2016, plans are to complete 234 columns and 5.8 miles of the guideway. By the end of the fiscal year, 424 columns and 9.1 miles of the guideway will have been constructed. This equates to 45% of the 20 mile alignment for the project being in place.
 - The ROC is will be substantially complete by April 2016 with punchlist items remaining. The facility will be complete enough in early 2016 to take delivery of the first railcars.
 - All utilities in the first 10 miles and in the Airport section are expected to be relocated by the end of the fiscal year.

Risks to advancing the planned construction work include any delays in utility relocations; delays in acquisition of needed parcels of property; contractor difficulty in obtaining needed materials, labor and other resources needed for their particular contract; and challenges in resolving interface issues between contractors.

- Contracting – Procurement and contract administration activities planned for FY2016 are described in the Procurement section found later in this chapter.

- Pearl Highlands Parking Garage – A determination on how to proceed with this project element will be made in the third quarter of the fiscal year following the results of the solicitations for the major construction contracts for the remaining eastern half of the rail alignment. This review will explore whether the garage could be built as part of a P3 to create a TOD at the Pearl Highlands Station to both save HART money and achieve the level of customer parking envisioned for the rail line.
- Project Labor Agreements (PLAs) – HART and its PLA contractor Solis Group will work with both labor and contractor interests to ensure that the H RTP retains labor stability in the years ahead as the project moves toward completion.
- Safety and Security - Planned activities include:
 - Continued design reviews and pre-safety certification activities.
 - Temporary safety certification of the ROC and the issuance of occupancy permits in time for the delivery of the first railcars.
 - Beginning safety certifications and the issuance of occupancy permits for completed portions of the guideway and other related facilities.
 - Conduct of additional TVA's for the project.
 - Conduct of the first formal emergency preparedness drills using both table top exercises and field drills at the sections of the guideway in place on the western end of the alignment.
 - Making a final decision on how the rail system will be policed and what the role of private security firms might be.
- During FY2016, planning and decision-making for the start of rail operations in 2018 will continue. Specific activities planned include:
 - Assisting policy makers with final adoption by the mid-year of a Fare Policy for the rail system including farebox recovery requirements; fare structure elements including types of fare media and rail – bus transfer arrangements; and revenue collection functions
 - Selection of a vendor in the first quarter of FY2016 to provide the components of the fare collection system including station gates, TVM's, support systems and back office operations support
 - Continued work on bus – rail service plans in conjunction with DTS and its transit management contractor OTS for coordinated bus services in anticipation of the start of rail operations
 - Plans for how various ongoing operating functions will be handled including: an integrated customer service function for both bus and rail services; fare collection system operations and maintenance; facilities maintenance including station maintenance and repairs; and guideway structural inspections and repairs
 - Progress on developing the Maintenance Management Information System (MMIS) for the rail operation and how it will interface with other rail-related systems
 - Finalization of plans to combine or integrate administrative and other functions between HART and DTS/OTS to improve cost efficiency and effectiveness in delivering quality public transportation services.
- Activity planned on the Art-In-Transit Program in FY2016 includes:

- Negotiating and contracting with the selected artists.
- During the year, contracted artists will conduct cultural and historic research and work with community advisors to develop artwork concepts and themes that reflect the surrounding station community and develop designs and sketches for their artwork working with HART's designers and staff.

Land Use Connection: TOD

The Revised Charter of Honolulu (Charter or RCH) authorizes HART “to promote, create and assist TOD projects near fixed guideway system stations that promote transit ridership, and are consistent with the intent of the adopted community plans and zoning.” RCH 17-103.2(n). Likewise, the Charter requires that the HART Executive Director “administer programs promoting appropriate developments near transit stations, including compilation of city incentive programs,” and “review development projects having significant impact on the operation of the fixed guideway system.” RCH 17-104(m) and (n).

Federal, State, and City policy direction to concentrate growth around transit stations is designed to achieve several public policy goals and support greater utilization of the public transit system. It will also enhance the value of real property adjacent to transit stations and create attractive investment opportunities for the private sector while facilitating local economic development goals and redevelopment efforts.

The State and City along with the federal government control the planning and permitting authority for all of the land along the 20-mile corridor. Coordination of these activities between the respective agencies is necessary to successfully leverage public and private investment in the corridor. In coordination with HART, both the State and City are preparing neighborhood TOD plans for the 21 transit station areas and investigating revisions to the land use regulatory requirements, which will provide the policy framework for private development. The responsibilities for station area TOD planning is as follows:

- The Civic Center and Kakaako Stations are within a state-designated Community Development District which is under the jurisdiction of the HCDA. The HCDA has developed an EIS and TOD plan for this area. The EIS is currently under review.
- The City and County of Honolulu Department of Planning and Permitting (DPP) is responsible for TOD plans for 19 of the 21 stations. The status of these plans is shown in **Appendix D** hereto.

In FY2016, HART TOD and land use planning staff will continue to provide technical support to DPP in its planning efforts on areas such as system description, modal connectivity, station access, parking and safety and security. These efforts include coordination with other City and State agencies, special interest groups (e.g. disabled and the elderly), private developers and landowners, and the general public at community meetings to develop TOD plans for the areas surrounding the transit stations.

Also during FY2016, HART staff will actively pursue, develop, and execute MOUs and Memoranda of Agreement (MOA) with public and/or private owners of land within close proximity of each planned transit station to directly access the station from their proposed development.

In addition, HART staff will continue to work with the TOD Stakeholders Advisory Group created in FY2015 and which is composed of representatives from HART, the City, the State and private development interests and various other organizations and groups.

Procurement and Contract Administration Plans

Procurement:

The Procurement section plans to update the agency's procurement policies and procedures during FY2016. In addition, Procurement will conduct routine operating budget procurements for needed services, equipment, and supplies to support the conduct of agency business operations. Procurement staff will also work with the City's BFS Department to address the findings from the FTA's Triennial Review.

On project implementation, Procurement will again face major challenges in soliciting several high-risk, construction packages, both design – build and design-bid-build contracts, representing approximately \$1.8B worth of work. The upcoming construction contracts represent high risks because of the continued high level of construction on Oahu. The challenge will be to maintain a high level of inter-disciplinary engagement between Procurement, Design and Construction and Project Control to ensure the quality and integrity of the solicitation packages while balancing the very real cost and schedule drivers facing the project. In addition, ensuring that the bids and proposals received are accurate, complete and devoid of unwarranted risk costs will be of paramount importance. Design and construction contracts to be advertised and awarded in FY2016 are shown in the following table.

FY2016 Quarter	Contracting Action	Contract Name
First	Award	<ul style="list-style-type: none"> • Farrington Highway Station Group Construction • West Oahu Station Group Construction • CE&I Consultant II • Real Estate Consultant II • Kako'o II Consultant • Fare Collection System Technical Support Consultant
	Advertise	<ul style="list-style-type: none"> • City Center Utilities Construction • Fare Collection System Vendor • Kamehameha Highway Stations Group Construction • City Center Guideway and Stations DB
Second	Award	<ul style="list-style-type: none"> • City Center Utilities Construction • Fare Collection System Vendor • Kamehameha Stations Group Construction
	Advertise	None
Third	Award	<ul style="list-style-type: none"> • Airport Guideway and Stations DB
	Advertise	<ul style="list-style-type: none"> • Core Systems Backup Generators
Fourth	Award	<ul style="list-style-type: none"> • City Center Guideway and Stations DB • Core Systems Backup Generators

Contract Administration:

As the procurement activities scheduled for late FY2015 and in FY2016 are completed, the new Contract Administration section's post-award contract administration work load will increase substantially. Effective contract administration and change management will be critical to ensure the project stays on time and on budget. During FY2016, Contract Administration plans to revamp the process for handling change orders. In addition, section staff will receive specialized training in cost/price analyses to bolster HART's ability to deal with change orders that materialize in the future.

EEO and DBE Programs:

In accordance with federal and state laws and requirements, HART maintains active programs to ensure equal employment opportunities and to foster the involvement of disadvantaged and small businesses in HART's business activities. The EEO Program is coordinated with DTS. OTS as the area's bus operator maintains its own FTA approved EEO Program. HART staff works with DTS to prepare a combined report for both the rail and DTS programs which DTS submits to the FTA for review and approval. The FTA had approved the combined EEO program for HART/DTS for a three year period which is ending. During FY2016, HART will continue to work with DTS to address FTA requirements for updating the combined EEO Program for submission to the FTA for approval.

HART manages its own DBE Program utilizing the State of Hawaii's Unified Certification Program to identify DBE firms and works with HDOT to reach out to these firms. HART has an FTA authorized 13% goal for DBE participation in the overall HRTTP and does not set annual goals. Contract specific goals are established when or if appropriate. Program staff will be working with contractors who have not met their contract goals and will continue to work on gaining increased DBE participation in the upcoming construction contracts whenever possible.

HART Organizational Development Strategy

History and Background

The initial planning and development of the H RTP was done by the City and County's Department of Transportation Services (DTS) through its Rapid Transit Division (RTD). DTS/RTD managed the completion of the required planning, economic, engineering, and environmental studies needed to advance the project through the stages of the FTA's New Starts project development process including: analysis of alternatives; technology and alignment selection; conceptual and preliminary engineering (PE) work; the preparation of a FEIS; the development of a contracting strategy for actually constructing the project; and the procurement of the initial construction contracts for the Project.

The initial organizational strategy DTS/RTD employed was to maintain a relatively small staff and hire consultants to provide the expertise necessary to perform various aspects of the required work. The City project staff was supplemented by a PMSC that has provided experienced and technically proficient personnel to fill key positions and roles in the project organization including professional, technical, managerial and other support services to initiate and complete the PE/EIS phase of the project and initiation of final design and construction. PMSC personnel essentially functioned as embedded staff assisting City employees in managing and overseeing the work.

DTS/RTD also retained the services of a GEC to undertake the planning, economic, engineering, and environmental work that was required to advance the project through FTA's New Starts process. The GEC assisted DTS/RTD by preparing competitive procurement documents for the initial Design-Build (DB) contracts and the Core Systems Design-Build-Operate-Maintain (DBOM) contract.

With this organizational strategy, the Project passed the critical milestone of completing the FEIS and obtained a Record of Decision (ROD) issued by the U.S. Department of Transportation in accordance with the National Environmental Policy Act (NEPA) and Hawaii State law. The issuance of the ROD resulted in FTA authority to begin property acquisition and undertake utility relocation work. DB contracts for initial phases of the project were awarded and construction work started on the initial phases.

In 2010, the voters of the City and County of Honolulu approved a Charter amendment that provided for the creation of HART to assume responsibility for implementing the H RTP and ultimately operating the rail line. HART came into existence on July 1, 2011. At that time, RTD ceased to exist and the RTD staff and the embedded PMSC staff were transitioned to become the core staff of the new agency. HART has utilized the basic components of the original DTS/RTD organizational strategy during its first years of existence. However, the agency's organizational strategy will be evolving as described in a later section of this chapter.

FTA Requirements

Because the H RTP is funded in part with federal dollars through the FTA, HART must demonstrate that it meets FTA requirements for grantees pursuing a major investment project

like the H RTP. Principal among these requirements is that the grantee must exhibit the “technical capacity and capability to efficiently and effectively” carry out the project. The FTA conducts an ongoing assessment of a grantee’s technical and financial capacity and capability by looking at a number of things including the following:

- Organizational structure.
- Staff qualifications and experience.
- Roles, responsibilities, and interfaces among key project team members laid out in a responsibility matrix.
- Staffing plan showing labor distribution over the life of a project.
- Copies of various key procurement documents.
- Description of management processes and procedures including the division of decision-making authority between the BOD and management staff; financial and procurement policies and procedures; and community outreach and relations efforts.
- Resumes of senior project team members.

The above information is embodied in a Project Management Plan (PMP). The PMP is periodically updated as a project moves through the various stages of project development. With each successive update of the PMP, the expectations for the technical capacity and capability of the grantee increases. In other words, the grantee must demonstrate a growing capacity and capability to match the increasing scope, complexity, and magnitude of the work to be performed in the next project phase in order to receive FTA approval to proceed. Ensuring that HART will meet the FTA’s technical capacity and capability requirements is a major factor in the formulation of the organizational development strategy embodied in the PMP and described herein.

The FTA employs the services of a Project Management Oversight Contractor (PMOC) to monitor HART’s activities and progress on implementing the H RTP. The PMOC also conducts an ongoing assessment of HART’s technical capacity and capabilities. These ongoing monitoring and assessment activities include monthly reports issued by HART and monthly meetings between HART staff and PMOC representatives. In addition, quarterly meetings between representatives of the FTA’s regional office in San Francisco and HART management and technical staff are held to report on Project progress and challenges and to address any issues that develop as the Project moves toward completion. These ongoing activities amount to a significant level of independent oversight of HART and its work implementing the H RTP.

HART Organization

Work on the Project is now in the final phases of FTA’s New Starts process. Work continues on property acquisitions and owner/tenant relocations, utility relocation and any remaining final design work. Construction work on the western section of the Project alignment has been underway for some time.

The organizational approach embodied in the PMP for the current phase of the Project requires a staff of 139 positions and continues the role of the PMSC but with a diminished number of positions serving as embedded staff for HART. **Appendix B** contains a series of organizational charts that depict the Authority’s functional structure and show the placement

of the positions that make up the proposed FY2016 HART staff. Of these positions, 16 or roughly 12% of them are expected to be PMSC provided staff.

Consultant Roles:

The GEC's role has evolved to reflect the evolution status of final design and construction work. The GEC will oversee final design efforts and continue to provide technical studies and management support for implementation of the Section 106 Programmatic Agreement Mitigation Support for the ROD. Construction management services and oversight will be provided by two separate consultants. Two contractors will provide CE&I services for roughly one half of the alignment each and a separate contractor will provide oversight of the Core Systems Contract. These three contractors will perform quality assurance inspections of all contractor activities; reviews of contract document submittals including shop drawings and specifications; reviews of contractor invoices; reviews of requests for information; reviews of requests for changes and change order estimates; conduct inspections; and do value engineering.

The PMP calls for retaining the services of engineering design consultants (EDCs) to develop final detailed designs of the certain project elements that will be procured through open competitive bidding. This does not include several DB contracts or the Core Systems and vehicles contract since final design is a function within the scope of those contracts. This does include the 9 stations on the western section of the alignment and various fixed facilities. Fixed facilities design includes the design of certain civil and structural facilities; trackwork; utilities; the Pearl Highlands parking structure and access ramps; the West Oahu/UH and Ho'opli park and ride lots; landscaping; and some systemwide elements.

Future Organizational Development

At present and for the next five years, HART will be a project development agency with no daily operating or service delivery responsibilities. This, of course, will change as the rail transit project gets completed and actual passenger service begins operating initially in 2018 with full service along the entire alignment starting in 2020. The staffing needs and business systems needs of the agency will evolve over time as the change from project development to operations and service delivery occurs. How well this transformation is accomplished will be important to the success HART has on accomplishing its Mission and Vision. The strategy for managing this evolution is outlined below:

- Phase out use of PMSC and build HART staff capability.
 - Identify those positions that HART will need long term for operations and the planning of extensions and seek to fill these positions with direct hires.
 - Examples: Chief Operating Officer, Chief Engineer, Internal Audit, Marketing, Planning, Property Management.
 - Use PMSC to temporarily fill such roles when recruitment for a City employee is unsuccessful or cannot be completed in a timely fashion.
 - PMSC employees will mentor and help train HART staff and new hires; this may require some overlapping of positions.
 - Utilize the services of the City's Department of Human Resources for assistance on organizational development including a classification and compensation structure, and recruitment and employee development strategies.

- Current PMSC contract expires in 2016 with an option for a one year extension; the contract may need to be extended for an additional period depending on HART's success in staff recruitment.
- GEC, CE&I consultants and EDCs will continue their roles/scope until the project construction, system integration and testing, and start-up work is completed.
- Develop internal business processes and systems that fit the needs of the transit system. Move away from using City processes and systems wherever it makes the most sense for HART to achieve its Mission, Vision, and Goals.
- Develop a seamless, integrated multi-modal (bus and rail) transit system.
 - Engage in joint planning with DTS and its Transit management contractor OTS for reconfiguration of the bus system to complement rail.
 - Implement a joint bus-rail fare collection system (hardware, software and support systems) along with plans for system maintenance and a revenue processing set-up to reduce interface problems and achieve economy of scale cost savings.
 - Establish plans for how marketing, customer information and relations activities will be handled for the expanded bus and rail transit system.
- Future issues that will need to be addressed:
 - Fare policy details for the integrated rail and bus system including fare levels and discounts, fare media, transfers between bus and rail services and farebox recovery requirements.
 - The process for setting fare levels between the HART BOD and City Council will need to be addressed.
 - The sources of ongoing funding for operating and maintenance expenses of the transit system not covered by fare revenues.
 - Identify opportunities for advertising, concessions, leases and rents, and possible joint use of transit facilities and assets to generate additional streams of operating income.
 - Development of operating policies and rules and the identification of any implications for project design and the operating and capital improvement budget.
 - Plans for how HART will maintain elements of the rail line that are not covered by the Core Systems contract operating component.
 - HART staffing and management information systems needed to oversee the operational, safety, maintenance and customer service performance of the rail line by the Core Systems contractor AHJV.
 - Plans for providing security on the rail line and the costs thereof.

HART Financial Strategy, Plans and Budgets

Financial Overview

HART maintains a detailed 20-year financial plan in accordance with the requirements of the FTA to receive federal funding for the H RTP. The HART Financial Plan provides a summary of the capital costs and funding sources associated with both the H RTP and for the City's ongoing operating and capital needs for the existing public transportation system. It also includes a preliminary plan to fund the future operations and maintenance (O&M) costs associated with the rail line, TheBus, and TheHandi-Van services. The current HART Financial Plan was prepared in June 2012 in preparation for receiving the FFGA from the FTA that was executed in December 2012. **Appendix E** contains a summary of revenues and expenses as shown in the approved HART Financial Plan for completing the H RTP and for operating the City's integrated bus – rail public transportation system over the period covered by the Plan (FY2010 – FY2030).

The financial strategy reflected in the approved HART Financial Plan can be summarized as follows:

- Implementation of the H RTP will be funded primarily by revenues from a one-half percent (0.5%) surcharge on the State's GET and grants from the federal government provided by the FTA. The 0.5% GET tax is currently set to expire on December 31, 2022.
- Short and medium term debt financing will be used to help manage cash flows during construction of the H RTP. However, the Financial Plan assumes that all debt will be retired by the time the GET tax expires.
- Ongoing funding for operation of the integrated bus and rail public transportation will be provided through a combination of fare revenues from passengers and other operating income, City and County general funds, and some FTA grant programs.

Events during FY2015 did cause a reassessment of the above described financial strategy in light of the roughly \$600 million increase in the project's estimated cost to complete and the estimated \$310 million hole in project reviews. As noted earlier, this reassessment resulted in an effort to gain state approval to extend the GET surcharge beyond the 2022 termination date to cover any increase in costs and the revenue shortfall. As a result, staff will be updating the HART Financial Plan during the first quarter of FY2016 to reflect the state action to extend the GET surcharge. Given the FY2015 experience with over budget construction bids and the \$1.8 billion in construction contracts planned for award in FY2016, it may become necessary to update the Financial Plan a second time later in the fiscal year should construction costs for these contracts again come in higher than expected.

FY2016 Operating and Capital Expense Budgets

HART staff prepared and submitted preliminary FY2016 Operating and Capital Budgets to the HART BOD in September 2014. On October 23, 2014, the HART Executive Director/Chief Executive Officer transmitted the proposed FY2016 Budgets to the Mayor and the City Council. This section of the FY2016 Business Plan describes in summary form the proposed Operating and Capital Budgets. City Council requested further detailed information of the HART proposed budget during the spring of 2015, and will ultimately include the

HART budgets in the City's budget bills anticipated to be approved before June 30, 2015. The HART Board is scheduled to discuss and adopt the FY2016 Operating and Capital budgets by June 30, 2015. The final version of the FY2016 Business Plan will reflect the final FY2016 Operating and Capital Budgets adopted by the HART BOD. The total budget request for FY2016 was as follows:

Operating Budget	\$ 29,212,000
Capital Improvements	<u>422,249,700</u>
Total FY2015 Budget Request	\$ 451,461,700

Appendix E includes a summary table which provides actual operating and capital expense historical information for FY2013-14 budget, FY2015 budget and projected actual information, and the proposed FY2016 Operating and Capital Budgets described in the sections below.

FY2016 Operating Budget

The HART Operating Budget includes expenses for HART staff and administrative expenses (i.e. office and equipment rent and supplies, legal services, telecommunications and various administrative services). It also includes expenses related to the support HART receives from other City departments as well as a contribution to City overhead expenses. The FY2016 Operating Budget has four major expense categories as shown in the table below. The table provides a breakdown of these cost components for FY2016 and a comparison against the budget and projected actual amounts for FY2015. The FY2015 projected amounts shown in the table are preliminary; there will be adjustments made through August 2015 to record payable amounts.

Expense Category	FY2015 Budget	FY2015 Projected	FY2016 Proposed
Personnel	\$13,843,425	\$10,935,670	\$14,519,000
Current Expenses	7,631,604	5,461,961	8,687,800
Equipment & software	6,000	18,000	6,000
Subtotals	\$21,481,029	\$16,397,631	\$21,481,029
Interest Expense	0	0	8,000,000
TOTALS	\$21,481,029	\$16,397,631	\$29,212,800

The Personnel category of the FY2016 Operating Budget includes funding for 139 full-time equivalent (FTE) positions, the same level since FY2013. This compares to 136 FTEs authorized in the FY2012 Budget and 110 FTEs in FY2011. As described in the Organizational Development Strategy section, the staffing level proposed is designed to ensure that HART has the technical capacity and capability to manage the implementation of the H RTP and meet the requirements of the FTA. The following chart provides a summary breakdown of the number of positions included in the FY2016 staffing plan by major functional category and includes PMSC provided positions funded by the Capital Budget at this time. See **Appendix B** for detailed organizational charts.

While the size of the HART staff has remained constant for several years now, there have been significant changes to how staff has been allocated to various functions, which is reflected in the following chart. Over the past two years staffing in the engineering, systems and construction management functions has been augmented. In FY2015, staffing in the Procurement and Contract Administration functions was augmented due to the growing level of construction activities and the impact on procurement related activities and the corresponding need to administer contracts and closely scrutinize any change orders that materialize. The chart also shows that the number of PMSC provided staff will decline by 8 positions in FY2016. This is consistent with the previously discussed Organizational Development Strategy.

Function	FY 2014 FTE Count	No. of PMC FTEs	2015 FTE Count	No. of PMC FTEs	Diff. in FTE Count	Diff. in PMC FTEs	2016 FTE Count	No. of PMC FTEs	Diff. in FTE Count	Diff. in PMC FTEs
Executive	8	1	10	4	2	3	10	2	2	-2
Project Control	15	3	13	2	-2	-1	13	2	-2	-1
Budget & Finance, Purchasing, Contracts	22.5	3.5	24	3	1.5	-0.5	24	1	1.5	-2
Planning, Utilities, ROW,	26	4	22.5	1	-3.5	-3	22.5	0	-3.5	-1
Engineering & Const. Mgmt.	37	8	40	9	3	1	40	9	3	1
Other Professional	22	4	18	5	-4	1	18	2	-4	-3
Admin. Svcs.	8.5	0	11.5	0	3	0	11.5	0	3	0
Totals	139	23.5	139	24	0	0.5	139	16	0	-8

The following table provides a breakdown of the reimbursements to other City departments included in the proposed FY2016 Budget:

City Department/Purpose	Amount
Corporation Counsel – Staff Salaries	\$612,000
Corporation Counsel – Current Expenses	40,300
Design & Construction – Staff Salaries	50,000
Budget & Financial Services – Staff Salaries	10,000
Fringe Benefits Associated with Above Salary Items	309,100
Adjustments	0
CASE – Central Administrative Services Expenditure	1,010,100
TOTAL	\$ 2,031,500

FY2016 Capital Budget

Construction activities currently underway and most of the construction contracts currently planned to be let in FY2016 have been funded thru prior year HART Capital Budgets. Some of these funds must be re-appropriated for FY2016. The proposed FY2016 Capital Budget includes the additional funds required and is smaller than what was provided for in recent HART Capital Budget requests. The following table provides a summary of planned FY2016 capital appropriations by major project budget component. A more detailed line item breakdown of HRTTP capital program components, including the amount re-appropriated from FY2015, FY2016 can be found in the tables provided in **Appendix E**.

Capital Budget Elements	Construction	Design	Planning	Totals
Construction	\$143,796,100			\$143,976,100
Consultants	26,132,600	1,400,000	421,000	27,953,600
Programmatic Agreements	200,000		100,000	300,000
Quality Audits	20,000			20,000
Contingency & Recertifications				250,000,000
Totals	\$170,328,700	\$1,400,000	\$521,000	\$422,249,700

Debt Financing

Over the next several years HART's expenditure level on construction and other project implementation activities will ramp up significantly. Cash payouts to contractors will exceed available cash and new receipts from both the GET and FTA reimbursements under the FFGA. Consequently, it will be necessary for the City & County of Honolulu to issue short term debt to help meet the project's cashflow needs. This occurrence was anticipated in the HART Financial Plan and is consistent with the financial strategy described earlier in this section. HART expects to begin issuing this debt using short term commercial paper to take advantage of a favorable borrowing climate. During FY2015, HART staff worked with the City's Budget and Fiscal Services staff to develop a plan for issuing this debt. This plan was incorporated into a Memorandum of Understanding between HART and the City which has been approved by both the HART Board and the City Council. It is expected that the first issuance of debt will occur during the first quarter of FY2016. The Financial Plan will be updated to reflect other financial plan changes and the exact nature of the debt issuance plan during the first quarter of FY2016.

Project Risk Factors

Any public works project is subject to a variety of risks that can impact its schedule and budget. The HRTTP is subject to such risks some of which are amplified because of Honolulu's geographic location far from the U.S. Mainland. Managing and protecting against risk factors is important to insure the successful completion of the HRTTP. The project has the following risks that are not within HART's direct control but could impact both the project schedule and budget performance. Several of these risk factors did impact the project during FY2015 and are likely to continue to be present in FY2016 and beyond:

- The significant level of construction currently on Oahu may continue to impact the availability of skilled labor and the pricing of materials such as steel, copper and concrete
- The current level of construction and Oahu's remoteness from the mainland may impact the amount of competition that HART for upcoming construction contracts
- Delays in utility relocations and/or property acquisitions that delay construction work and cause contractor delay claims
- Complications that might arise in completing construction work on the remaining portions of the project's alignment such as unforeseen site conditions and any extraordinary efforts required to mitigate construction impacts
- The possibility of interest rate increases that could impact any debt service payments
- GET surcharge revenue receipts continuing to come in below the assumed rate of growth

The important thing is to recognize the existence of these risks and to take steps to minimize or protect against potential impacts to the maximum extent possible while carrying out the implementation of the H RTP.

Appendix A

HART Balanced Scorecard

BALANCED SCORECARD
Project Implementation/Pre-Revenue Operation

Activity		Time Period	Actual	Plan	Variance	Status	Comments and Legend	
							<div><div></div> On track or ahead of plan.</div> <div><div></div> Monitoring.</div> <div><div></div> Monitoring; Requires special attention.</div> <div><div></div> Immediate attention needed; Requires recovery/resolution.</div> <div><div></div> No current target/activity to date; Action pending.</div> <div><div></div> N/A Not Applicable.</div> <div><div></div> TBD To be determined.</div> <div>New Balanced Scorecard items are shaded in blue for ease of identification.</div> <div>Status color changes are shaded in yellow.</div>	
For Project Finances, reporting will be based on Current Quarter, Fiscal Year, FFGA Financial Plan and Inception to Date data as appropriate.								
1	Project Finances							
2	Operating Budget [Negative = below Plan]							
3	Operating Expenditures	Current Quarter (Q3 FY15) Jan., Feb., Mar. 2015	\$3.8	\$5.4	(\$1.6)		For Current Quarter monitoring purposes: \$21.5M FY15 Total Budget/4 quarters = \$5.37M. The Plan number for Inception to Date = the FY12 to Q3 FY15 budgets + actual expenditures for fiscal years 2007 through 2011. The Plan number for the Financial Plan = the FY12 to Q3 FY15 budgets + actual expenditures for Oct. 16, 2009 through FY11. *Inception is from January 2007 when GET surcharge revenue, interest revenue and expenditures were first reported in the City's FY2007 Comprehensive Annual Financial Report (CAFR) in the Transit Fund which also includes expenditures for other City Departments (e.g., DPP for TOD expenditures, BFS and City Council which were paid with GET surcharge revenues).	
4		FY2015 Total July 2014 - March 2015	\$10.4	\$16.1	(\$5.7)			
5		FFGA Financial Plan Oct. 16, 2009 - March 2015	\$71.2	\$91.7	(\$20.5)			
6		Inception* to Date Jan. 2007 - March 2015	\$75.1	\$95.6	(\$20.5)			
7	Capital Budget [Negative = below Plan]							
8	Capital Expenditures	Current Quarter (Q3 FY15) Jan., Feb., Mar. 2015	\$79.9	\$204.6	(\$124.7)		Plan amounts are per the Full Funding Grant Agreement Financial Plan. *Inception is from January 2007 when GET surcharge revenue, interest revenue and expenditures were first reported in the City's FY2007 Comprehensive Annual Financial Report (CAFR) in the Transit Fund. The Plan numbers for Inception to Date = the Plan amounts from 10/16/2009 to 03/31/2015 + actual expenditures for fiscal year 2007 through 10/15/2009. The expenditures for fiscal years 2007 to 2011 were reconciled to the expenditures reported in the Transit Fund included in the City's CAFR report. The "Current Quarter" and "FY15 Total" actual amounts are on a cash basis. All audit adjustments for the previous years are now reflected in the "FFGA Financial Plan" and "Inception to Date" actual amounts. Actual expenditure amounts continue to be below plan due to contractor work lagging and schedule of milestones billing. HART is working with contractors to ensure timely payment. The Master Project Schedule is being revised again. Due to unfavorable bids for the West Side Station package, HART has broken down the procurement to three bid packages of three stations each (FHSG, WOSG and KHSG) and is revising the schedule. In addition, the eastern guideway work has been broken into two bid packages: Airport Guideway and Stations and City Center Guideway and Stations. The procurement strategy has been modified to improve bid response and quality.	
9		FY2015 Total July 2014 - March 2015	\$355.1	\$664.2	(\$309.1)			
10		FFGA Financial Plan Oct. 16, 2009 - March 2015	\$1,373.3	\$2,824.1	(\$1,450.7)			
11		Inception* to Date Jan. 2007 - March 2015	\$1,456.9	\$2,907.6	(\$1,450.7)			
12	Revenues [Negative = below Plan]							
13	GET Collections							
14	Net GET Surcharge Receipts	Current Quarter (Q3 FY15) Jan., Feb., Mar. 2015	\$57.8	\$56.8	+\$1.0		GET receipts are reported on a cash basis. The \$57.8M received in January 2015 is for the October-December 2014 quarter. The Current Quarter plan is based on annual reporting. \$3,291M = Total Net GET Surcharge revenue forecast for FYs 2010-2023. Actual amounts from inception are the collections from January 2007 to 01/31/2015. The \$1,443.9M Plan amount is equal to the Financial Plan amount of \$1,065.5M from the Project Start date of 10/16/2009 to 01/31/2015 plus \$378.4M collected prior to the Project Start Date. GET surcharge revenue collected prior to Oct. 16, 2009 is included in the Financial Plan as beginning cash balance of \$298M (actual GET collections of \$378M before Oct. 16, 2009, less expenditures of \$80M during that same period). *Inception is from January 2007 when GET surcharge revenue, interest revenue and expenditures were first reported in the City's FY2007 Comprehensive Annual Financial Report (CAFR) in the Transit Fund. Status for the Current Quarter has changed from yellow to green.	
15		FY2015 Total July 2014 - March 2015	\$155.8	\$168.4	(\$12.6)			
16		FFGA Financial Plan Oct. 16, 2009 - March 2015	\$1,025.9	\$1,065.5	(\$39.6)			
17		Inception* to Date Jan. 2007 - March 2015	\$1,404.3	\$1,443.9	(\$39.6)			
18	Federal Grants							
19	Federal Grant Funds New Starts \$5309 (Reimbursed)	Current Quarter (Q3 FY15) Jan., Feb., Mar. 2015	\$56.9	\$250	(\$193.1)		Forecasted FTA Uses by fiscal years, per HART's 6/2012 Financial Plan, are FY2011 \$21M; FY2012 \$99M; FY2013 \$258M, FY2014 \$442M, and thru Q3 FY2015 \$250M: Total \$1,070M. The Q3 FY2015 New Starts \$250M award is expected in May 2015. The variance for FFGA Financial Plan indicates the prior fiscal years' appropriated amounts not yet used.	
20		FY2015 Total July 2014 - March 2015	\$113.2	\$250	(\$136.8)			
21		FFGA Financial Plan Oct. 16, 2009 - March 2015	\$369.2	\$1,070.0	(\$700.8)			
22	Federal Grant Funds \$5307 (Reimbursed)	Current Quarter (Q3 FY15) Jan., Feb., Mar. 2015	---	---	N/A		Total forecasted \$5307 funds per the plan is \$210M.	
23		FY2015 Total July 2014 - March 2015	---	---	N/A			
24		FFGA Financial Plan Oct. 16, 2009 - March 2015	---	---	N/A			

BALANCED SCORECARD
Project Implementation/Pre-Revenue Operation

APPENDIX A
Q3 FY15
Data Date: March 27, 2015

	Activity	Current Quarter (Q3 FY15)				Inception to Date				Comments and Legend	
										On track or ahead of plan.	Immediate attention needed; Requires recovery/resolution.
										Monitoring.	No current target/activity to date; Action pending.
										Monitoring; Requires special attention.	N/A Not Applicable. TBD To be determined.
		Actual	Plan	Variance	Status	Actual	Plan	Variance	Status	New Balanced Scorecard items are shaded in blue for ease of identification. Status color changes are shaded in yellow.	
For the remainder of the Balanced Scorecard, reporting will be based on Current Quarter and Inception to Date data.											
25	Financials (Continued)	Project Budget									
26		FFGA Baseline Project Budget	N/A	N/A	N/A		\$5,122	\$5,122	N/A		\$M FFGA Baseline Project Budget (including contingencies and FTA-eligible finance charges), in accordance with FTA New Starts project guidelines.
27		Committed (\$)	\$48	----	----		\$2,978	\$4,438	(\$1,460)		\$M Total Committed (awarded Contract Values + approved Change Orders) this quarter and to date vs. the current Total FFGA Project Budget, excluding remaining contingencies and finance charges. Contract awards have been shifted to future years due to AIS delays and the repackaging of contracts. A new baseline budget is being created. HART is implementing mitigation measures to maintain a late 2019 full revenue service date.
28		Committed (%)	1.1%	----	----		67.1%	----	N/A		% \$M Committed of the Inception to Date current Plan FFGA Project Budget, excluding contingencies and finance charges.
29		Incurred (\$M)	\$104	----	----		\$1,445	\$4,438	(\$2,993)		\$M Incurred (Expenditures + approved Requests for Payment) this quarter and to date vs. the current Total FFGA Project Budget, excluding remaining contingencies and finance charges. The plan is based on the original program cost curve issued in 2009 and is projected to be rebaselined in mid-2015. HART is implementing mitigation measures to maintain a late 2019 full revenue service date. The amounts reflected are due in part to the construction delays.
30		Incurred (%)	2%	----	----		33%	----	----		% \$M Incurred (Expenditures + approved Requests for Payment) of the Inception to Date current Plan FFGA Project Budget, excluding contingencies and finance charges.
31		Estimate at Completion (EAC)	N/A	N/A	N/A		\$5,715	\$5,122	N/A		\$M current forecasted vs. original Estimate at Completion (EAC = contract values as budgeted or awarded + executed change orders + pending and potential changes). Forecast includes revised cost estimates for future construction contracts projecting higher than their respective FFGA Budget.
32		Contingency									
33		Allocated Cost Contingency	(\$8)	N/A	N/A		\$464	\$542	(\$78)		Current Quarter = Allocated Project Contingency debited or credited for the quarter, Inception to Date = Current Budget Allocated Project Contingency vs. the Baseline Budget Allocated Project Contingency. Revised cost estimates for future construction contracts includes additional contingency required for those contracts.
34		Unallocated Cost Contingency	(\$5)	N/A	N/A		\$47	\$102	(\$55)		Current Quarter = Unallocated Project Contingency debited or credited for the quarter, Inception to Date = Current Budget Unallocated Project Contingency vs. the Baseline Budget Unallocated Contingency. Revised cost estimates for future construction contracts includes additional contingency required for those contracts.
35	Total Project Cost Contingency = Allocated + Unallocated	(\$13)	N/A	N/A		\$511	\$644	(\$133)		See the HART Monthly Progress Report for more detailed information on contingency. Current Quarter = Total Project Contingency usage, Inception to Date = Current Budget Project Contingency value vs. Baseline Budget Project Contingency. Revised cost estimates for future construction contracts includes additional contingency required for those contracts.	
36	Schedule Contingency	0	N/A	N/A		6	20	(14)		Schedule contingency has been depleted due to the postponement of guideway construction on the west caused by delays and due to the modification of the project delivery method on future construction contracts.	
37	Project Progress	PROJECT DELIVERY - OVERALL									
38		Overall Progress [Positive = ahead of Late Plan; Negative = behind Late Plan]									
39		Overall Project Progress Completed	2.4%	5.8%	(3.4%)		33.4%	41.5%	(8.1%)		% Complete of Final Design and Construction contracts (FD, DBB-DBOM design levels-of-effort and DB, DBB, DBOM and E/E construction) actual vs. late plan. Revised project schedules for WOFH, MSF and KHG have been incorporated into the overall project progress curve and the interim opening will likely be 2018. HART has canceled the solicitation to build the first nine rail stations and HART has repackaged the original contract into three smaller contracts. HART has also canceled the solicitation for the Airport-City Center Guideway and Utilities Construction Contract and will repackage the Airport Section Guideway and Stations & City Center Guideway and Stations into Design-Build contracts and an advanced City Center Utility and Civil Work construction package.
40		Overall Design Progress Completed	2.7%	5.0%	(2.3%)		84.7%	91.2%	(6.5%)		% Complete of Final Design contracts & DB-DBOM design levels-of-effort actual vs. late plan. The design progress schedule has been rebaselined and the interim opening will likely be 2018. Due to bids coming in higher than HART had budgeted, HART has canceled the solicitation to build the first nine rail stations and repackaged that contract into three smaller contracts. Value Engineering and design modifications are being performed to improve on pricing.
41		Overall Construction Progress Completed	2.3%	5.7%	(3.4%)		25.3%	33.6%	(8.3%)		% Completion of Construction (DB, DBB, DBOM & E/E) contracts vs. planned. The construction progress schedule has been rebaselined and includes revised project schedules for WOFH, MSF and KHG DB contracts. HART has canceled the solicitation to build the first nine rail stations and HART has repackaged the original contract into three smaller contracts. The change will likely delay by one year the planned opening of the first ten miles of the rail system between Aloha Stadium and east Kapolei. HART has also canceled the solicitation for the Airport-City Center Guideway and Utilities Construction Contract and will repackage the Airport Section Guideway and Stations & City Center Guideway and Stations into Design-Build contracts and an advanced City Center Utility and Civil Work construction package.
42	Overall Utility Progress Completed	2.7%	12.3%	(9.6%)		14.8%	26.1%	(11.3%)		% Completion of Utilities progress based on the weighted average progress of the Design-Build and Design-Bid-Build utilities level of effort. Status for the Current Quarter and Inception to Date have changed from yellow to red as utility relocations are affecting construction progress. HART's CEO and staff are meeting with HECO's executive management on a bi-weekly basis to attempt to mitigate impacts to HART's construction efforts. Although the two agencies are working together, the impacts are now affecting both design and construction efforts.	

BALANCED SCORECARD
Project Implementation/Pre-Revenue Operation

APPENDIX A
Q3 FY15
Data Date: March 27, 2015

	Activity	Current Quarter (Q3 FY15)				Inception to Date				Comments and Legend		
		January, February, March 2015				January 2007 - March 2015						
		Actual	Plan	Variance	Status	Actual	Plan	Variance	Status			
										<div>● On track or ahead of plan.</div> <div>● Monitoring.</div> <div>● Monitoring; Requires special attention.</div> <div>■ New Balanced Scorecard items are shaded in blue for ease of identification.</div> <div>● Immediate attention needed; Requires recovery/resolution.</div> <div>○ No current target/activity to date; Action pending.</div> <div>N/A Not Applicable.</div> <div>TBD To be determined.</div> <div>■ Status color changes are shaded in yellow.</div>		
43	Project Progress (continued)	Contracts Awarded										
44		Total Number of Contracts Awarded	0	0	-0-	●	38	38	-0-	●	The plan numbers are based on the FTA Full Funding Grant Agreement Contract Packaging Plan (CPP) contracts. Contracts awarded: N/A Status for the Current Quarter and Inception to Date have changed from yellow to green due to the revised Procurement Schedule to repackage the original Westside Stations Group into three contracts. HART also canceled the Airport and City Center DBB solicitation and under the new contract packaging plan, will issue two DB solicitations that also includes the associated stations.	
45		Total Value of Contracts Awarded	\$0.00	\$0.00	\$0	●	\$3,173.77	\$3,240.17	(\$66.4)	●	SM Awarded. Variance includes contingency. For a full list of contracts awarded, please see the HART Monthly Progress Report. Status for the Current Quarter and Inception to Date have changed from yellow to green due to the revised Procurement Schedule to repackage the original Westside Stations Group into three contracts. HART also canceled the Airport and City Center DBB solicitation and under the new contract packaging plan, will issue two DB solicitations that also includes the associated stations.	
46		Change Orders										
47		Change Orders (#)	30	N/A	N/A	●	201	N/A	N/A	●	# Change Orders executed this quarter (9 Final Design and 21 Construction).	
48		Change Orders (\$)	\$21.3	N/A	N/A	●	\$369.9	N/A	N/A	●	SM Change Orders executed this quarter (\$3.2M Final Design and \$18.1M Construction). These change orders are reducing our allocated and unallocated contingency. The most significant changes during the third quarter were \$2.5M (CSC DBOM) for Test Track Changes at MSF and \$1.9M (WOFH DB) for Procurement & Delivery of LCC Modular Bldgs.	
49		Claims										
50		Claims Filed	0	0	N/A	○	0	0	N/A	○	# Claims filed vs. anticipated.	
51		Claims Resolved	0	0	N/A	○	0	0	N/A	○	# Claims resolved vs. filed.	
52		Agreements*										
			*Inception to Date Plan numbers vary each quarter due to advancement of design.									
53		Utility Agreements - Engineering Services	0	0	-0-	●	28	28	0	●	Inception to Date Plan = total number of agreements planned for the project WOFH - all 9 agreements executed. KHG - all 10 agreements executed. KHG/Airport/City Center - 1 agreement executed. Airport/City Center - all 8 agreements executed.	
54		Utility Agreements - Construction Agreement	0	4	(4)	●	15	23	(8)	●	Inception to Date Plan = total number of agreements planned for the project WOFH - all 7 agreements executed. KHG - all 6 agreements executed. Airport - 2 of the 4 planned are executed. City Center - 0 of the 6 planned are executed. Status for the Current Quarter and Inception to Date have changed from orange to yellow.	
55		Total Utility Agreements	0	4	(4)	●	43	51	(8)	●	Inception to Date Plan = total number of agreements planned for the project WOFH - all 16 agreements executed. KHG - all 16 executed. KHG/Airport/City Center ESA - 1 agreement planned/executed. Airport/City Center ESA - all 8 agreements executed. Airport Construction - 2 agreements executed (4 agreements planned). City Center Construction - 0 agreements executed (6 agreements planned). The status is based on the potential for construction to be delayed.	
56	HDOT Master Agreements/Joint Use & Occupancy	0	0	-0-	●	2	2	0	●	Inception to Date Plan = total number of agreements planned for the project WOFH and a combined Master Agreement for KHG, Airport and City Center sections are executed.		

BALANCED SCORECARD
Project Implementation/Pre-Revenue Operation

	Activity	Current Quarter (Q3 FY15)				Inception to Date				Comments and Legend
		January, February, March 2015				January 2007 - March 2015				<div><div>●</div> On track or ahead of plan.</div> <div><div>●</div> Immediate attention needed; Requires recovery/resolution.</div> <div><div>●</div> Monitoring.</div> <div><div>○</div> No current target/activity to date; Action pending.</div> <div><div>●</div> Monitoring; Requires special attention.</div> <div><div>N/A</div> Not Applicable.</div> <div><div>TBD</div> To be determined.</div> <div><div></div> New Balanced Scorecard items are shaded in blue for ease of identification.</div> <div><div></div> Status color changes are shaded in yellow.</div>
		Actual	Plan	Variance	Status	Actual	Plan	Variance	Status	
57	Third-Party Agreements	4	5	(1)	●	9	27	(18)	●	<p>Data is current as of March 20, 2015. Inception to Date Plan = total number of agreements planned for the project. Actual numbers are based on property available for construction. High priority agreements which could impact ongoing construction are in bold and in red. A master agreement and its ancillary agreements are counted as one entity.</p> <p>AGREEMENTS NEEDED FOR CONSTRUCTION – YET TO BE COMPLETED</p> <p>WOFH, KHG, Airport:</p> <p>-U.S. Navy Easement Agreements</p> <p>WOFH:</p> <p>-LCC (UH Leeward Community College)</p> <p>-UHWO (UH - West O'ahu)</p> <p>KHG:</p> <p>-Aloha Stadium - needs to be acquired for station construction</p> <p>Airport:</p> <p>-U.S. Post Office Honolulu Processing Center</p> <p>-DTS (City Dept. of Transportation Services) for Middle Street</p> <p>City Center:</p> <p>-HCC (UH Honolulu Community College)</p> <p>-OCCC (Dept. of Public Safety)</p> <p>-GSA/Federal Court House</p> <p>-HCDA (Hawaii Community Development Authority)</p> <p>-DAGS/DBEDT/HHFDC</p> <p>-DFM (City Dept. of Facility Maintenance) for N. King Street</p> <p>-DFM (City Dept. of Facility Maintenance) for Kohou Street</p> <p>-DTS (City Dept. of Transportation Services) for Kamehameha Hwy.</p> <p>Additional agreements needed prior to construction:</p> <p>-Pacific Guardian Center</p> <p>-Howard Hughes Corporation</p> <p>-Sam House Development LLC</p> <p>-GGP Ala Moana LLC</p> <p>AGREEMENTS FOR CONSTRUCTION – COMPLETED</p> <p>WOFH:</p> <p>-D.R. Horton</p> <p>-DLNR (Dept. of Land & Natural Resources) for Kapolei Park & Ride</p> <p>-DOE (Dept. of Education)/DLNR for Waipahu High School</p> <p>-DHL (Dept. of Hawaiian Home Lands) for MSF</p> <p>-DPP (City Dept. of Parks & Recreation) for MSF drainage</p> <p>KHG:</p> <p>-UH Urban Gardens</p> <p>-Aloha Stadium - Guideway obtained by Kiewit</p> <p>AIRPORT:</p> <p>-DLNR (Dept. of Land & Natural Resources) for Keehi Lagoon</p> <p>-DFM (City Dept. of Facility Maintenance) for Kamehameha Hwy/Makalapa Manor</p>
58	Real Estate/Right-of-Way (ROW)									
59	Acquisitions*									
60	WOFH Full Acquisitions	0	0	-0-	●	14	14	-0-	●	HART has acquired all full acquisitions for the WOFH section.
61	WOFH Partial Acquisitions	1	2	(1)	●	1	2	(1)	●	Finalizing agreements for remaining partial acquisition.
62	Summary WOFH Acquisitions (Full + Partial)	1	2	(1)	●	15	16	(1)	●	
63	KHG Full Acquisitions	0	0	-0-	●	3	3	-0-	●	HART has completed all full acquisitions for the KHG section.
64	KHG Partial Acquisitions	1	2	(1)	●	3	4	(1)	●	HART is working to complete negotiations. This remaining parcel does not impact the construction schedule. Status for the Current Quarter and Inception to Date has changed from red to orange.
65	Summary KHG Acquisitions (Full + Partial)	1	2	(1)	●	6	7	(1)	●	Status for the Current Quarter and Inception to Date has changed from red to orange.

BALANCED SCORECARD
Project Implementation/Pre-Revenue Operation

APPENDIX A
Q3 FY15
Data Date: March 27, 2015

	Activity	Current Quarter (Q3 FY15)				Inception to Date				Comments and Legend	
										<div><div></div> On track or ahead of plan.</div> <div><div></div> Immediate attention needed; Requires recovery/resolution.</div> <div><div></div> Monitoring.</div> <div><div></div> No current target/activity to date; Action pending.</div> <div><div></div> Monitoring; Requires special attention.</div> <div><div>N/A</div> Not Applicable.</div> <div><div>TBD</div> To be determined.</div>	
		January, February, March 2015				January 2007 - March 2015					
		Actual	Plan	Variance	Status	Actual	Plan	Variance	Status	<div><div></div> New Balanced Scorecard items are shaded in blue for ease of identification.</div> <div><div></div> Status color changes are shaded in yellow.</div>	
66	Project Progress (continued)	Airport Full Acquisitions	1	1	-0-		4	5	(1)		The remaining full acquisition is awaiting completion of relocation activities. Status for Inception to Date has changed from orange to red due to project schedule and completion of a relocation activity.
67		Airport Partial Acquisitions	0	3	(3)		0	3	(3)		HART has tendered offers on outstanding partial acquisitions and are in negotiations. HART will work to secure rights of entry, as appropriate, to ensure construction site access. Status for the Current Quarter and Inception to Date have changed from orange to red due to project schedule and extended negotiations.
68		Summary Airport Acquisitions (Full + Partial)	1	4	(3)		4	8	(4)		Status for the Current Quarter and Inception to Date have changed from orange to red.
69		City Center Full Acquisitions	1	11	(10)		9	20	(11)		Appraising properties and preparation of offers is ongoing. HART has also received approval from the FTA to utilize possession and use agreements in an effort to promptly obtain construction access to properties. Status for the Current Quarter and Inception to Date is orange because the deadline for completion of acquisitions has changed due to design and construction timeline adjustments.
70		City Center Partial Acquisitions	0	67	(67)		0	67	(67)		Appraising properties and preparation of offers is ongoing. HART has also received approval from the FTA to utilize possession and use agreements in an effort to promptly obtain construction access to properties. Status for the Current Quarter and Inception to Date is orange because the deadline for completion of acquisitions has changed due to design and construction timeline adjustments.
71		Summary City Center Acquisitions (Full + Partial)	1	78	(77)		9	87	(78)		Status for the Current Quarter and Inception to Date is orange because the deadline for completion of acquisitions has changed due to design and construction timeline adjustments.
72		Expenditures for Acquisitions	N/A	N/A	N/A		\$71.0	\$81.5	(\$10.5)		\$M in expenditures.
73		Easements*	*Data is current as of March 20, 2015. Inception to Date Plan numbers are the total number needed for the project and may vary each quarter due to advancement of design; Actual numbers are based on property availability for construction. Data is provided by the Real Estate Acquisition Database (READ)								
74		WOFH Easements	0	2	(2)		1	3	(2)		Negotiations are ongoing on the remaining easements including requests for right of entry for necessary work in WOFH. Status for the Current Quarter and Inception to Date have changed from orange to red.
75		KHG Easements	0	0	-0-		0	0	-0-		There are no easements in this section.
76		Airport Easements	0	6	(6)		0	11	(11)		Appraising properties and preparation of offers is ongoing. HART has also received approval from the FTA to utilize possession and use agreements in an effort to promptly obtain construction access to properties. Status for the Current Quarter and Inception to Date have changed from orange to red due to U.S. Navy and U.S. Post Office concerns and document processing.
77		City Center Easements	0	15	(15)		0	29	(29)		Appraising properties and preparation of offers is ongoing. HART has also received approval from the FTA to utilize possession and use agreements in an effort to promptly obtain construction access to properties. Status for the Current Quarter and Inception to Date is orange because the deadline for completion of easements has changed due to design and construction timeline adjustments.
78		Summary Easements	0	23	(23)		1	43	(42)		Status for the Current Quarter and Inception to Date have changed from orange to red.
79		Safety									
80		HART OSHA Reportable Injuries	0	0	-0-		0	0	-0-		HART # Occupational Safety and Health Agency (OSHA) Reportable Injuries to date. Reportable incidents, requiring OSHA to be notified within 8 hours, include the death of an employee or hospitalization of three or more employees. For additional information on recordable incidents, please see the HART Monthly Progress Report.
81		Contractor OSHA Reportable Injuries	0	0	-0-		0	0	-0-		Contractor's # Occupational Safety and Health Agency (OSHA) Reportable Injuries to date. Reportable incidents, requiring OSHA to be notified within 8 hours, include the death of an employee or hospitalization of three or more employees. For additional information on recordable incidents, please see the HART Monthly Progress Report.
82		Quality Assurance (QA)									
83		Completion of QA Audits	10	6	+4		75	61	+14		# QA Audits of HART, consultants, contractors and suppliers completed vs. planned. Buy America Audits are included.
84		Successful Closure of Design NCRs	5	1	+4		31	32	(1)		# Design Non-Conformance Reports (NCRs) closed vs. issued. For more information on NCRs, please see the HART Monthly Progress Report.
85		Successful Closure of Construction NCRs	72	68	+4		304	389	(85)		# Construction NCRs closed vs. issued. For more information on NCRs, please see the HART Monthly Progress Report. Status for the Current Quarter has changed from yellow to green.
86	Economic Multipliers (Negative = below plan)										
87	DBE Participation (%)	0.05%	0.13%	(0.08%)		1.20%	13%	(11.80%)		% actual vs. target participation rate of Disadvantaged Business Enterprises (DBE) to date since Sept. 24, 2007. The planned DBE participation rate is an overall project goal.	
88	DBE Participation (\$)	\$0.82	\$2.29	(\$1.47)		\$21.26	\$229	(\$207.74)		\$M actual vs. target participation of DBE to date since Sept. 24, 2007. The planned DBE participation rate is an overall project goal.	
89	Workforce Development	PERSONNEL									
90		HART Staffing Level	2	0	+2		128	139	(11)		# Current HART Full-Time Equivalents (FTEs) vs. planned positions in the FY15 Operating Budget. There are 128 FTEs onboard as of March 31, 2015. This includes 104 City employees and 24 Project Management Support Consultant (PMSC) employees. The actual number reported in "Current Quarter" reflects all new hires for the quarter. The "Inception to Date" numbers reflect the total number of employees onboard as of March 31, 2015.
91		Direct Project Jobs Created	---	---	---		1,377	---	---		# Direct project jobs created. Actual number reflects either input from contractors or agencies, or a calculated count based on invoices presented to HART.



BALANCED SCORECARD
Project Implementation/Pre-Revenue Operation

APPENDIX A
Q3 FY15
Data Date: March 27, 2015

	Activity	Current Quarter (Q3 FY15)				Inception to Date				Comments and Legend	
										On track or ahead of plan.	Immediate attention needed; Requires recovery/resolution.
		January, February, March 2015				January 2007 - March 2015				Monitoring.	No current target/activity to date; Action pending.
		Actual	Plan	Variance	Status	Actual	Plan	Variance	Status	Monitoring; Requires special attention.	N/A Not Applicable. TBD To be determined.
										New Balanced Scorecard items are shaded in blue for ease of identification.	Status color changes are shaded in yellow.
92	Partnerships	Transit-Oriented Development (TOD) Planning*								*TOD planning is being overseen by the city Department of Planning and Permitting and the HCDA	
93		City Department of Planning and Permitting Draft TOD Plans	0	0	N/A		10	14	N/A		City Department of Planning and Permitting (DPP) is responsible for TOD plans for 19 of the 21 stations. A total of 10 stations have Draft TOD neighborhood plans at this time. DPP started developing Draft TOD plans for the remaining 4 stations: Pearl Harbor Naval Base, Airport, Lagoon Drive and Aloha Stadium. The Ala Moana TOD plan is currently under public review. The remaining Draft TOD plans will be sent to City Council for review and adoption during the third and fourth quarters of 2015. In the interim, the Legislature has adopted Bill 71 Land Use Ordinance (LUO) Amendment Relating to Interim Plan Development Permits for TOD, which will allow for negotiations on TOD projects as per the Draft TOD plans before zoning is in place.
94		Hawai'i Community Development Authority Draft TOD Overlay Plan	0	0	N/A		2	2	N/A		HCDA developed a Draft TOD Overlay Plan for the areas around Kaka'ako and Civic Center Stations. It will be finalized in the Kaka'ako Environmental Impact Statement. HART submitted comments to the Draft EIS for TOD in the Kaka'ako Community District on Feb. 20, 2015.
95		Stations with Final TOD Plans	0	0	N/A		5	5	N/A		The Waipahu Neighborhood TOD plan (Waipahu and West Loch Stations) and Aiea Pearl City TOD plan (LCC, Pearl Highlands and Pearlridge Stations) have been adopted.
96		Total Stations with Draft or Final TOD Plans	0	0	N/A		17	21	N/A		TOD plans are being created for 21 stations.
97		HART TOD Stakeholder Group	0	----	N/A		2	----	N/A		# of meetings held. Established in 2013, the TOD Stakeholder Group includes representatives from city, state, and private sector entities and organizations.
98	Customer Perspective	PUBLIC OUTREACH									
99		Build a Social Media Community	31	----	N/A		2,711	----	N/A		# of unique Facebook followers.
100		Proactive Community Outreach: Neighborhood Board Meetings	26	----	N/A		968	----	N/A		# Neighborhood Board Meetings in which HART has participated to date since 2006.
101		Proactive Community Outreach: Presentations/Events	33	----	N/A		1,777	----	N/A		# Events in which HART has participated to date since 2006.
102		SERVICE DELIVERY									
103		Fare Collection System									TBD in FY15.
104		Bus-Rail Integration Plan									In April 2014, Bus-Rail Integration Plans were issued. The plans are subject to change and do not reflect operating costs.
105		HART Operating Organization Plan									TBD
106		HART Service Policy/Standards									TBD
107		LIVABILITY									
108	HART Sustainability Policy									TBD	

Appendix B

HART Organizational Charts

Prepared by:

Administrative Specialist

1/14/15
Date

HONOLULU AUTHORITY FOR RAPID TRANSPORTATION (HART)

January 14, 2015

Concur:

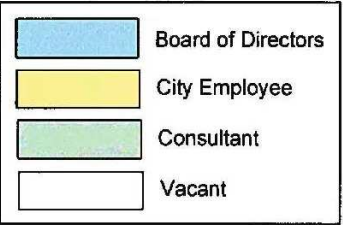
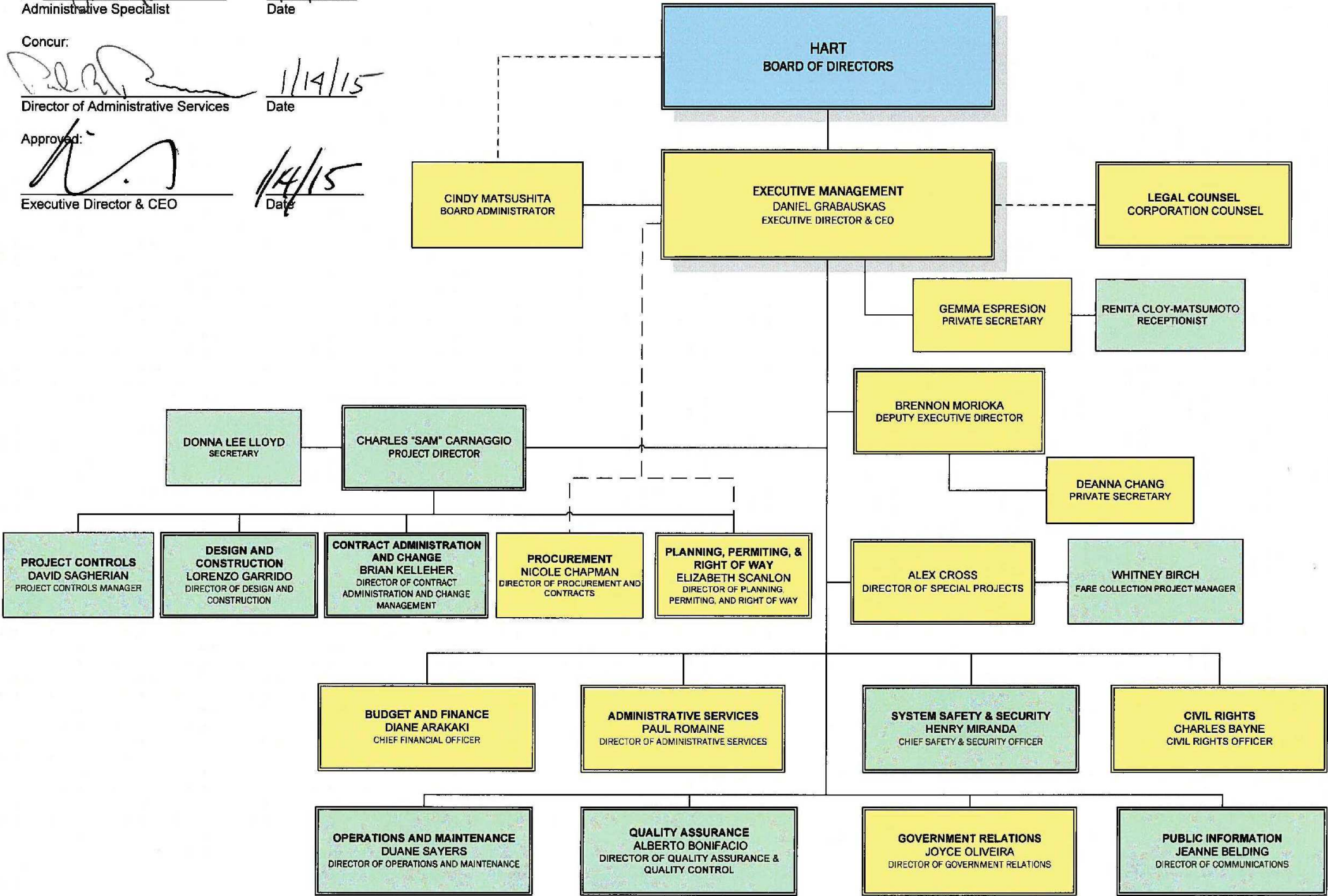
Director of Administrative Services

1/14/15
Date

Approved:

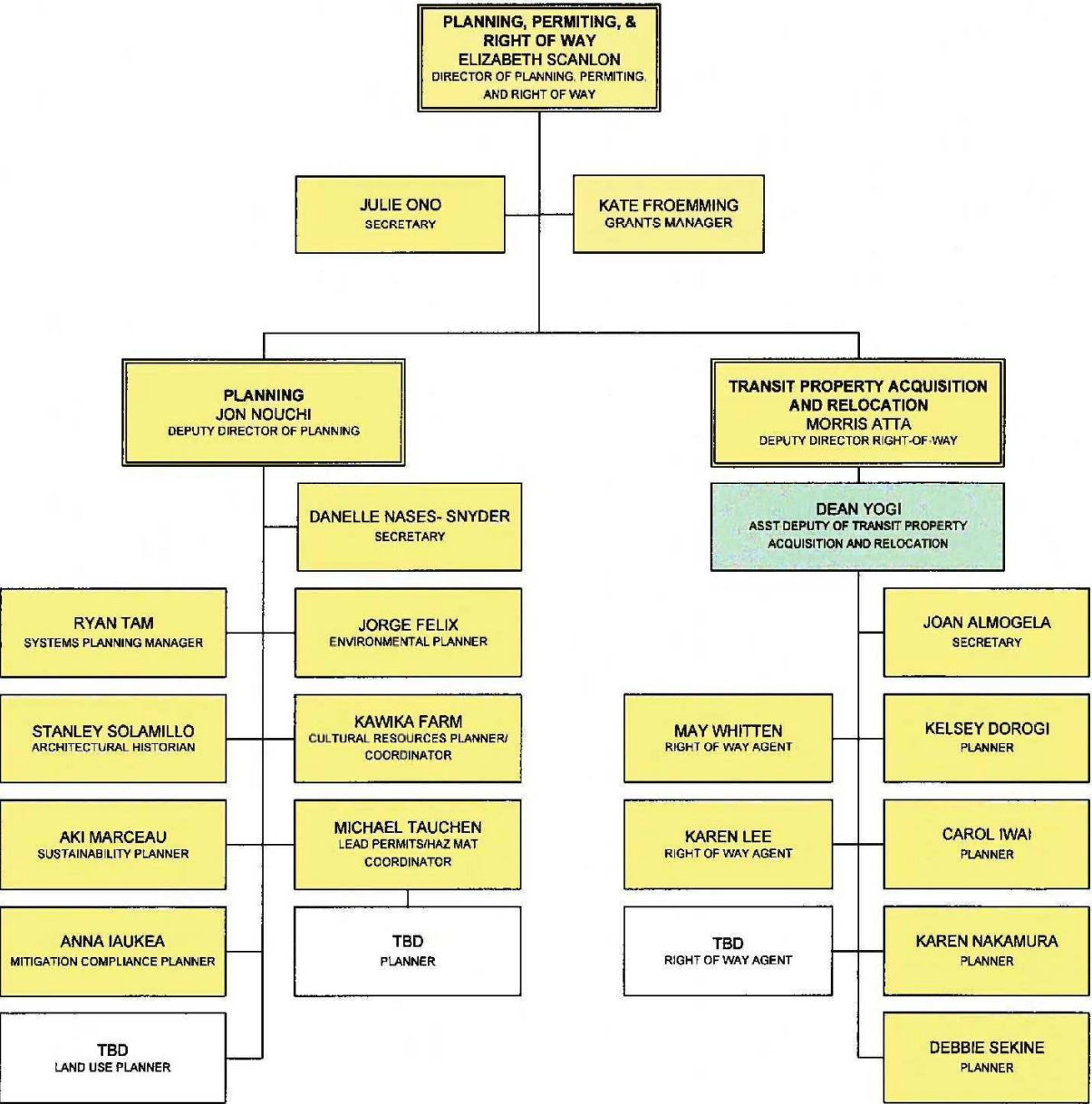
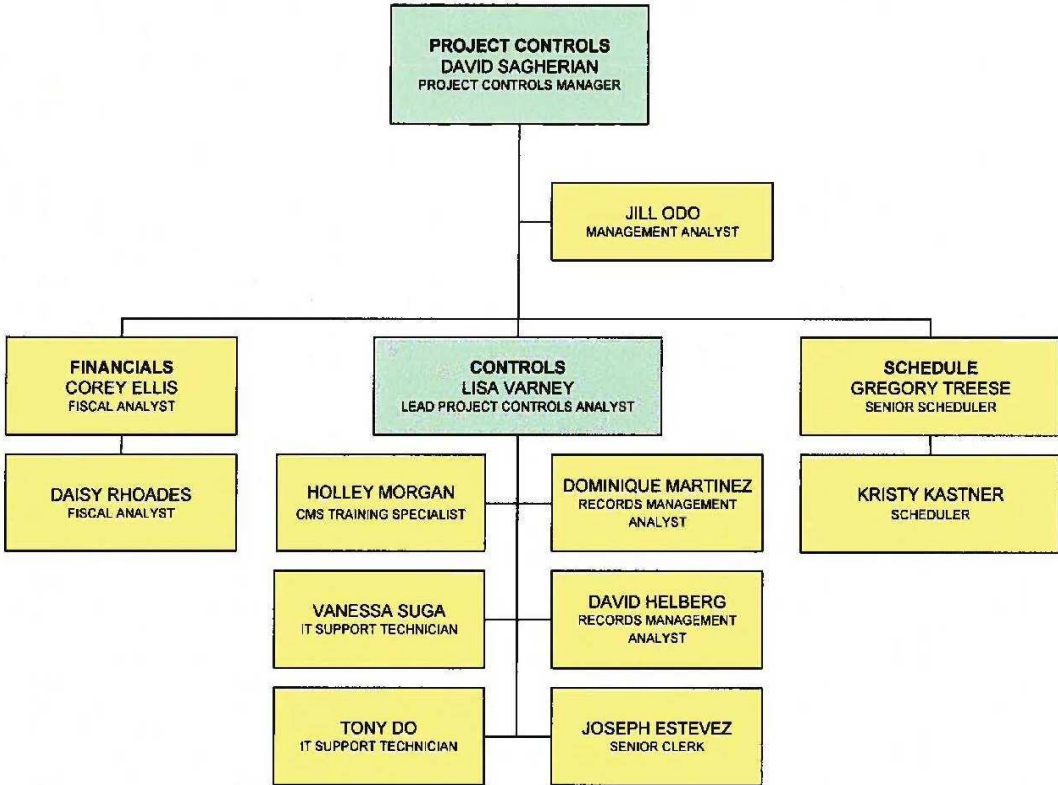
Executive Director & CEO

1/14/15
Date



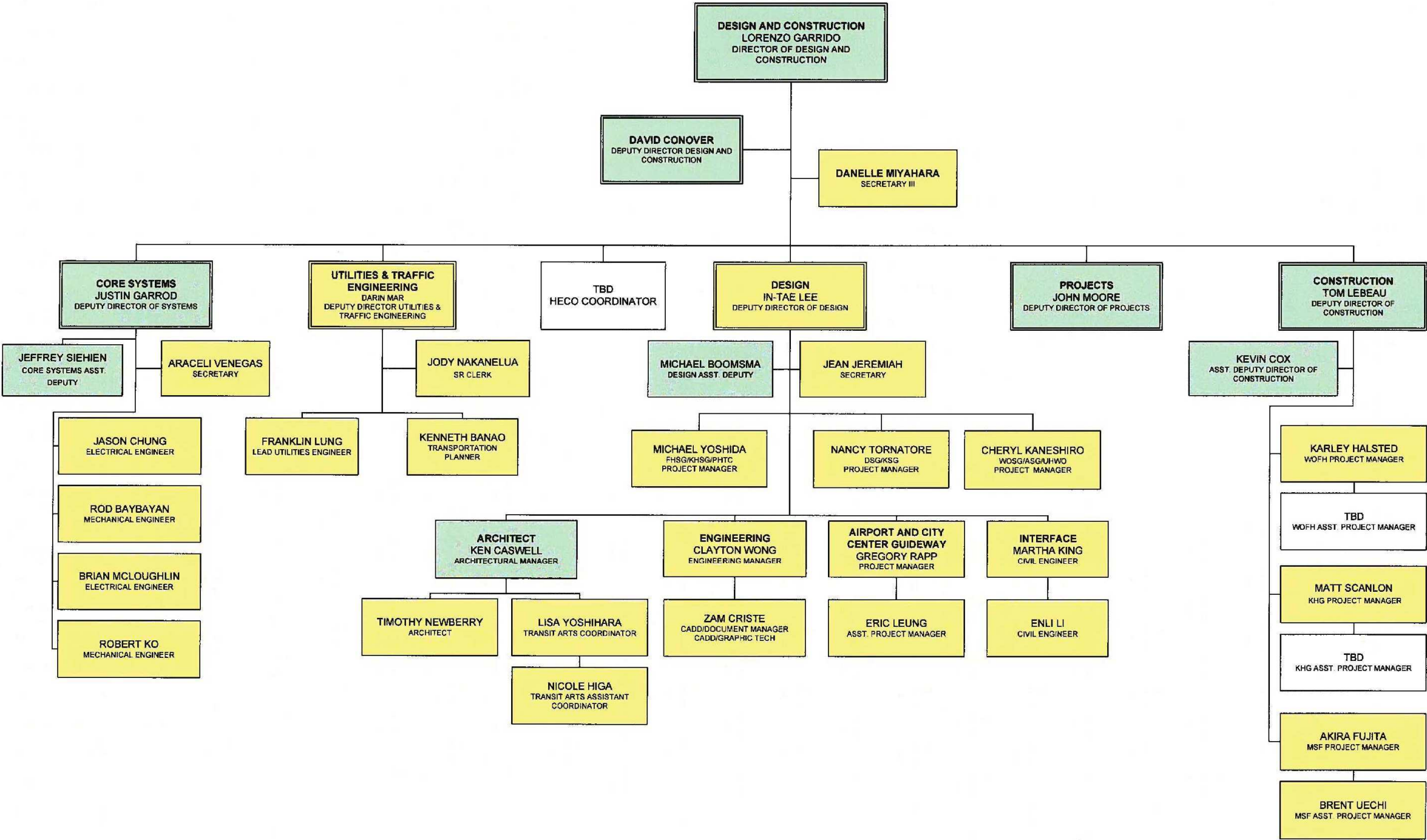
HONOLULU AUTHORITY FOR RAPID TRANSPORTATION
PROJECT CONTROLS AND PLANNING, PERMITTING AND RIGHT OF WAY

January 14, 2015



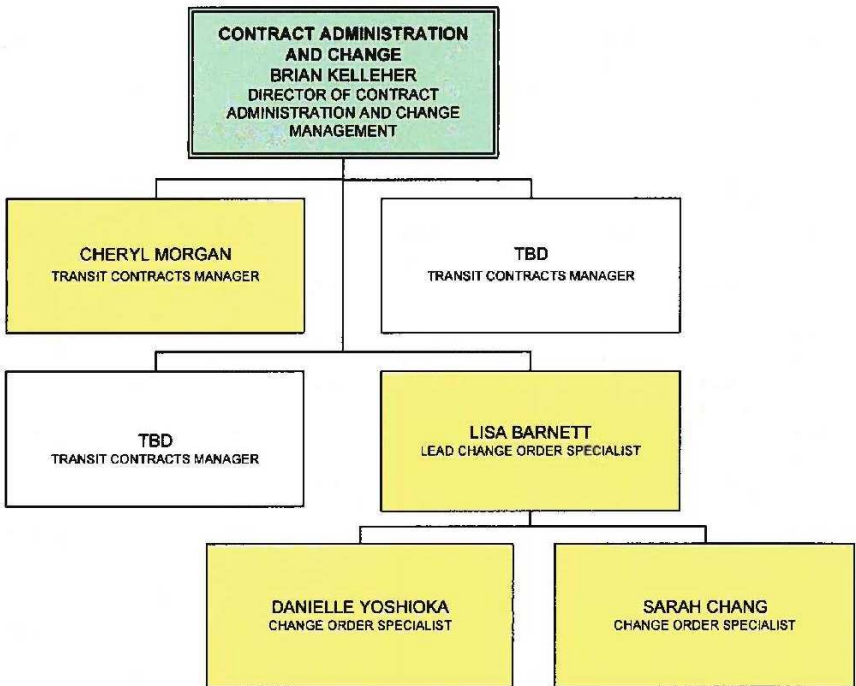
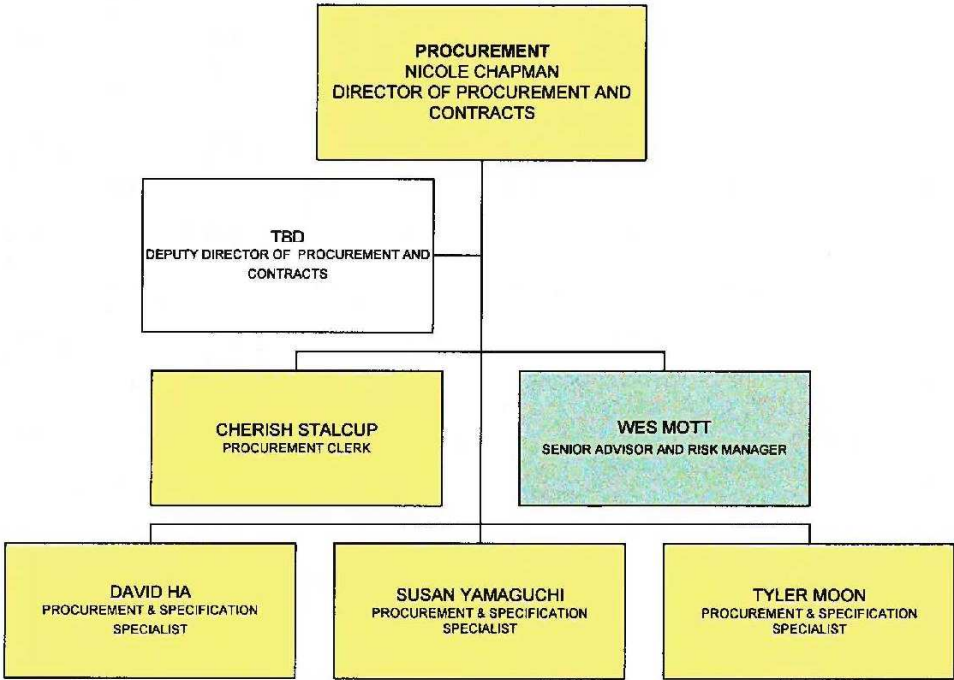
HONOLULU AUTHORITY FOR RAPID TRANSPORTATION
DESIGN AND CONSTRUCTION

January 14, 2015

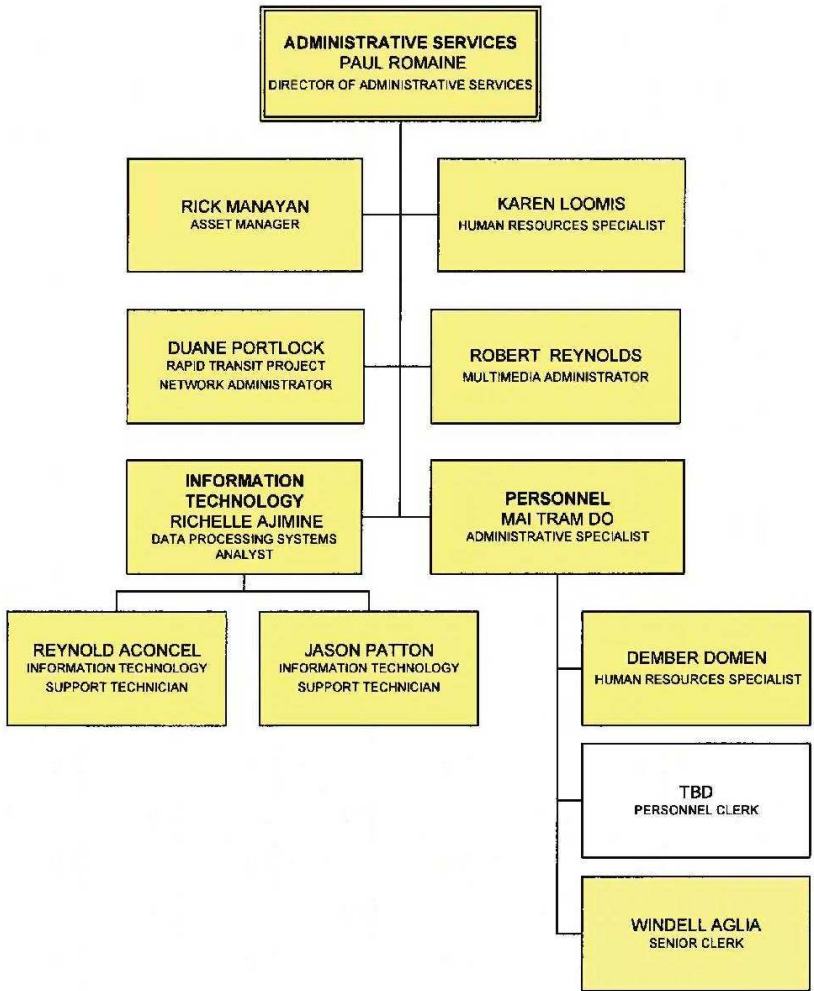
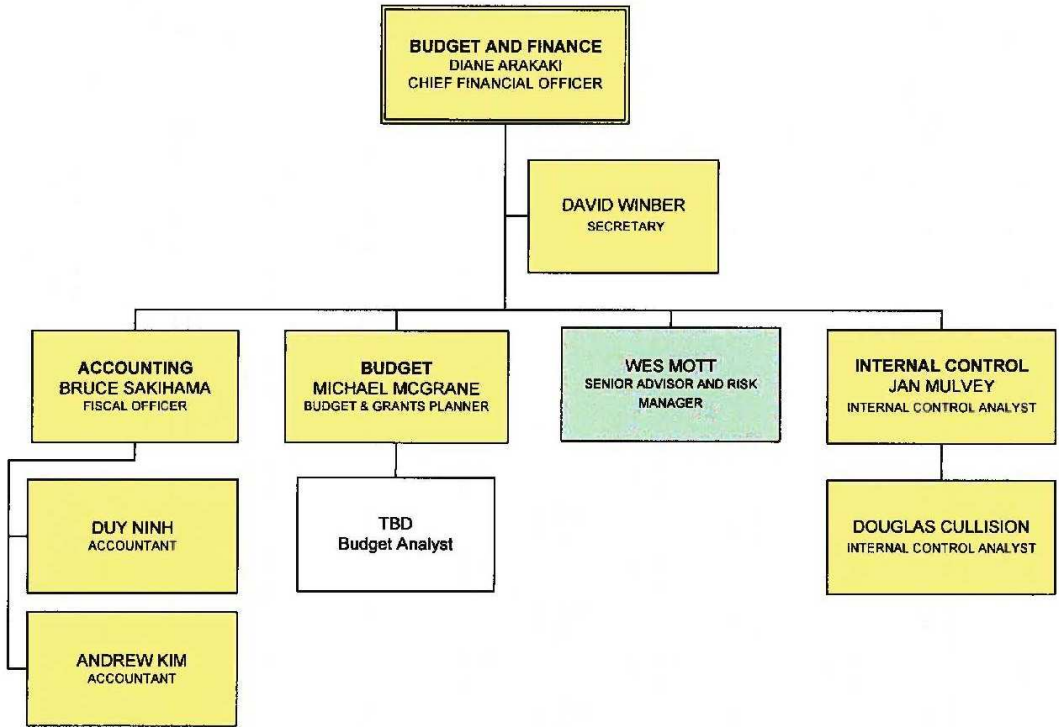


HONOLULU AUTHORITY FOR RAPID TRANSPORTATION
PROCUREMENT, CONTRACTS ADMINISTRATION AND CHANGE

January 14, 2015

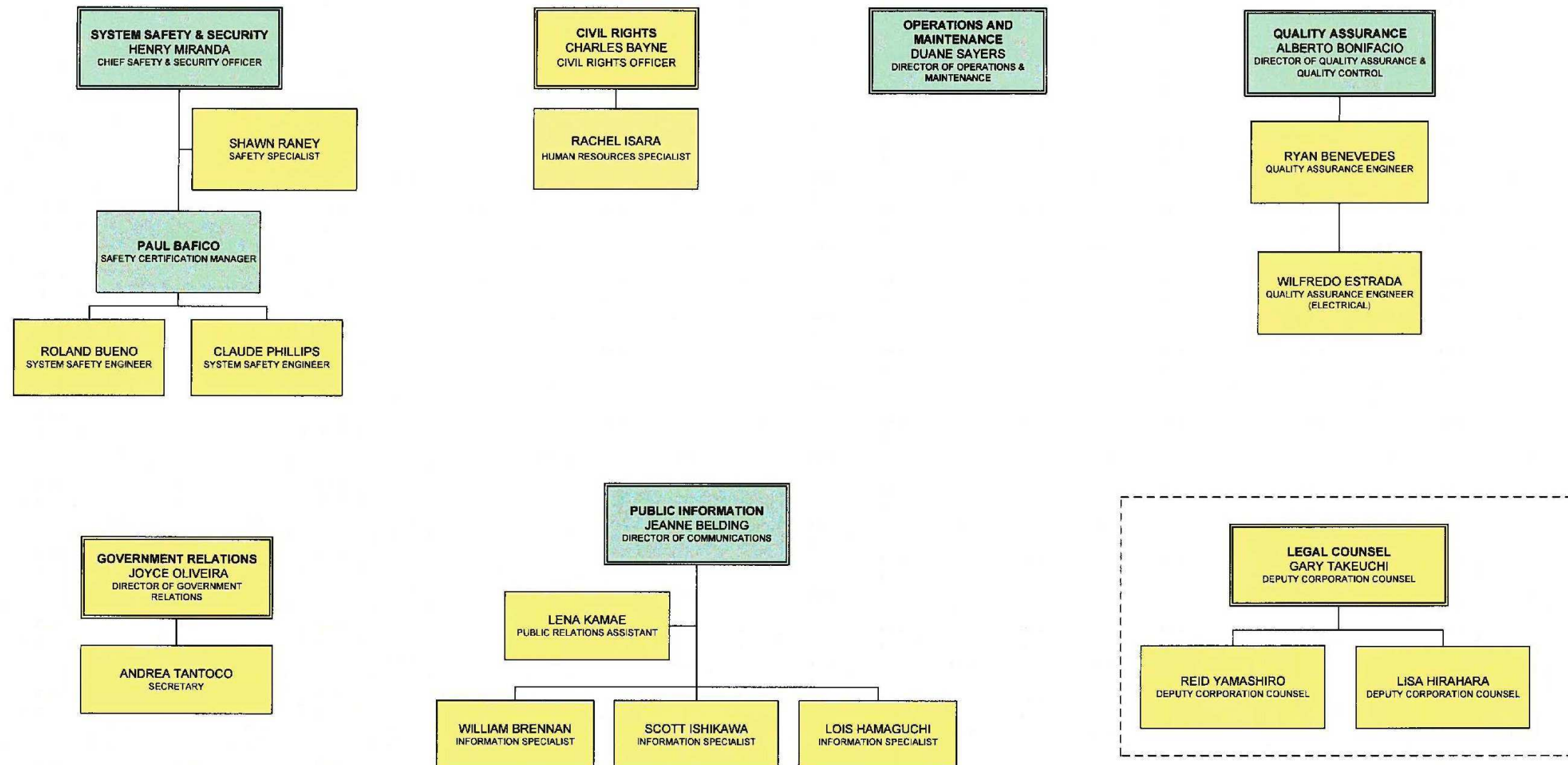


HONOLULU AUTHORITY FOR RAPID TRANSPORTATION
BUDGET AND FINANCE, AND ADMINISTRATIVE SERVICES



HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

SYSTEM SAFETY & SECURITY, CIVIL RIGHTS, OPERATIONS AND MAINTENANCE, QUALITY ASSURANCE, GOVERNMENT RELATIONS, PUBLIC INFORMATION, LEGAL COUNSEL



Appendix C

Project Background and Description

The Alternatives Analysis (AA) for the project was initiated in August 2005 and the *Honolulu High-Capacity Transit Corridor Project Alternatives Analysis Report* was presented to the Honolulu City Council in November 2006. The purpose of the report was to provide the City Council with the information necessary to select a mode and general alignment for high-capacity transit service on Oahu. The report summarized the results of the AA that was conducted following the FTA's planning guidance. It also provided information on the costs, benefits, and impacts of four alternatives: No Build Alternative, Transportation System Management Alternative, Managed Lane Alternative, and Fixed Guideway Alternative.

During November and December 2006, public meetings were held on the AA. On December 22, 2006, the Honolulu City Council enacted Ordinance No. 07-001, which selected a fixed guideway alternative from Kapolei to the University of Hawaii at Manoa with a connection to Waikiki as the Locally Preferred Alternative (LPA) for the project. Ordinance 07-001 identified a specific alignment for the majority of the corridor but left options open in two locations. At the western end of the corridor, the LPA selection identified two alignments (described in the AA Report as Section I – Saratoga Avenue/North-South Road and Kamokila Boulevard/Farrington Highway), with the notation “*as determined by the city administration before or during preliminary engineering.*” In the center of the corridor, the LPA selection also identified two alignments (described in the AA Report as Section III – Salt Lake Boulevard and Aolele Street), also with the notation “*as determined by the city administration before or during preliminary engineering.*”

The LPA selection was made recognizing that the then-identified revenue sources, including revenues from the 0.5 percent county GET surcharge in place from January 1, 2007, through December 31, 2022, and a reasonable expectation of FTA New Starts funds, would not be sufficient to fund the capital cost of the LPA. Thus, a financially feasible project needed to be identified. On February 27, 2007, the Honolulu City Council initially selected a segment of the LPA from East Kapolei to Ala Moana Center, via Salt Lake Boulevard (Resolution 07-039, FD1(c)). However, on January 28, 2009, the Honolulu City Council, under Resolution 08-261, recommended replacing the Salt Lake portion of this initial alignment with a route that includes direct service to Pearl Harbor and the Airport. This section of the LPA, from East Kapolei to Ala Moana Center, which serves the Airport is referred to as “the project” and is shown in **Figure 1**. The LPA is now known as the Honolulu Rail Transit Project (H RTP) and described in Project Description found on the page which follows Figure 1.

Figure 1: The Project



Project Description

The H RTP consists of the design and construction of a 20-mile, grade-separated, fully-automated fixed rail system following the alignment depicted in Figure 1. The rail line will operate in an exclusive right-of-way and be elevated except for a 0.6 mile at-grade section near Leeward Community College. The line will be powered with third rail electrification.

The project scope includes 80 light metro fully automated (driverless) rail vehicles and a Rail Operations Center (ROC) on a 44-acre parcel near Leeward Community College. The ROC will have four buildings that will house various maintenance facilities, a vehicle wash area and a system control center. The ROC site will also include a track storage area for the railcars and an employee parking area. The ROC buildings will be designed to meet Leadership in Energy and Environmental Design silver certification requirements.

The project includes 21 stations with passenger canopies, seating areas and art work. All stations, except for the one at Leeward Community College, will be elevated. There will be four park-n-ride facilities with a total of 4,100 spaces. The park-n-ride facility at Pearl Highlands Station will be a parking structure which will feature an access ramp from the H-2 freeway directly into the parking structure.

The target revenue service date for the project is January 31, 2020. Hours of operation in the opening year will be from 4 am to midnight on weekdays. On weekends and holidays service will run from 6 am to midnight. In the opening year, service will operate every 5 minutes during weekday peak periods, every 11 minutes during weekday off-peak periods, and every 18 minutes on weekday evenings. On weekends in the opening year, service will operate every 18 minutes all day. In the project forecast year of 2030, service will operate every 5 minutes during weekday peak periods, every 9 minutes during off-peak times and every 15 minutes during the evening. On weekends in the forecast year, service will operate every 15 minutes during the day and evening. Average weekday passenger boardings are projected to be 104,300 in the opening year and 119,500 in 2030.

System-wide Elements

The selected transit technology is electrically powered, industry-standard steel wheel on steel rail powered from a third-rail system. The selected vehicle is to be capable of a top speed greater than 50 mph. The vehicles will be fully automated and driverless although train attendants are planned to be riding trains for customer relations and emergency situations. The driverless option is possible because the fixed guideway will operate in exclusive right-of-way with no vehicular or pedestrian crossings.

The traction power distribution system consists of about 14 substations and main line track power distribution facilities. The substations will be spaced at approximately one and one-half mile intervals along the alignment.

Train signaling will use automatic train control and automatic train operations technology. The communications and security systems include emergency phones, closed-circuit television, and public address and information display systems.

The railcars will have a length of roughly 60 feet and the capacity to carry upwards of 160 persons. Trains will consist of four railcars. Additional vehicles can be added to the fleet as passenger demand requires in the future. The ROC will have the capacity to maintain and store up to 150 railcars.

In FY2014, a decision was made to add platform screen barriers and doors to the project scope. As a result, the project will now utilize a Platform Screen Gate system that is more like a fence with automated openings at all rail stations. Safety is the principal benefit for passengers, as the installation of these gates will preclude accidental train track guideway incursion and reduce the risk of accidents, especially when trains are entering the station. Active barrier systems create a safety separation between the track area and the platform to protect people from falling off the platform thereby eliminating the potential hazard of being struck by a moving train or being shocked or electrocuted by the third power rail. This change will also serve to minimize the potential for service interruptions caused by incursions on the track guideway in station areas.

Fare Collection

A unified fare structure is planned, which will be integrated with the City's existing bus system, TheBus. The H RTP was originally contemplated to have a barrier-free, proof-of-payment fare collection system utilizing fare vending machines in all stations and fare inspectors riding the system to verify proof of fare payment. In FY2015, the decision was made to utilize a traditional barrier fare collection system with fare gates that require payment to enter the rail station. This type of system is feasible for the H RTP since nearly all rail stations will be elevated with controlled access. Fare gate systems cost more to initially install but are less expensive to operate long term. They also reduce the potential for fare evasion by train users and provide information on travel and usage patterns which will help with planning service levels and bus-rail connections.

The fare collection system currently planned will be a multi-modal, account-based smart card system using proven technology. Rail fare system components will include both standard and ADA gates with smart card readers and ticket vending machines (TVMs) at each station. Bus fare collection will utilize on-board smart card readers in addition to cash payment. The overall integrated system will include various back office systems with redundancy.

Appendix D

Status of DPP Station Area TOD Planning

Station Name	Neighborhood TOD Plan	Adopted	Draft Final	Public Review	Planning
East Kapolei	East Kapolei http://www.honolulu.gov/tod/neighborhood-tod-plans/dpp-tod-east-kapolei.html			X	
UH West Oahu					
Ho'opili					
West Loch	Waipahu http://www.honolulu.gov/tod/neighborhood-tod-plans/dpp-tod-waipahu.html	X (April 2014)			
Waipahu Transit Center					
Leeward Community College	Aiea Pearl City http://www.honolulu.gov/tod/neighborhood-tod-plans/dpp-tod-aiea-pearlcity.html	X (September 2014)			
Pearl Highland Station					
Pearlridge Station					
Aloha Stadium	Halawa Makai http://www.honolulu.gov/tod/neighborhood-tod-plans/dpp-tod-halawa-makai.html				X
Pearl Harbor Naval Base Station	Airport http://www.honolulu.gov/tod/neighborhood-tod-plans/dpp-tod-airport.html				X
Honolulu International Airport					
Lagoon Drive					
Middle Street Transit Center	Kalihi http://www.honolulu.gov/tod/neighborhood-tod-plans/dpp-tod-kalihi.html		X		
Kalihi					
Kapalama					
Iwilei	Downtown http://www.honolulu.gov/tod/neighborhood-tod-plans/dpp-tod-downtown.html			X	
Chinatown					
Downtown					
Ala Moana Center	Ala Moana Center http://www.honolulu.gov/tod/neighborhood-tod-plans/dpp-tod-alamoana.html			X	

Appendix E

Financial Charts and Tables

Project and Systemwide Sources and Uses of Funds,
FY2010 - FY2030, YOE \$millions

SOURCES OF FUNDS		YOE \$M	USES OF FUNDS		YOE \$M
Project Capital Sources of Funds			Project Capital Uses of Funds		
Project Beginning Cash Balance		298	Project Capital Cost		4,949
Net GET Surcharge Revenues		3,291	Subtotal Project Capital Cost		\$4,949
FTA Section 5309 New Starts Revenues		1,550	Finance Charges		
FTA Section 5307 Formula and ARRA Funds Used for the Project 1/		214	Interest Payment on GO Bonds Issued for the Project		191
Interest Income		3	Interest Payment on Tax-Exempt Commercial Paper		10
Transfer from Project Cash Balance to Ongoing Rail Capital and O&M Cost		(193)	GO Bond Issuance Cost		13
			Subtotal Finance Charges		\$215
Subtotal Project Capital Sources of Funds		\$5,163	Subtotal Project Capital Uses of Funds		\$5,163
Ongoing Capital Sources of Funds			Ongoing Capital Uses of Funds		
FTA Section 5309 Fixed Guideway Modernization		80	Additional Railcar Acquisitions		35
FTA Section 5309 Bus Discretionary		116	Project Capital Asset Replacement Program		150
FTA Section 5307 Formula Funds Used for Ongoing Capital Cost		499	TheBus Vehicle Acquisitions		667
FTA Section 5307 and 5309 Grants Carryover from Prior Years		50	Other Capital Cost		235
American Recovery and Reinvestment Act		26	TheHandi-Van Vehicle Acquisitions		138
FTA Section 5316 (JARC) and 5317 (New Freedom)		0			
Transfers to the State's Vanpool Program		(3)			
Transfer from Project Cash Balance to Ongoing Rail Capital Cost		54			
City General Obligation Bond Proceeds		404			
Subtotal Ongoing Capital Sources of Funds		\$1,225	Subtotal Ongoing Capital Uses of Funds		\$1,225
TOTAL CAPITAL SOURCES OF FUNDS		\$6,388	TOTAL CAPITAL USES OF FUNDS		\$6,388
Operating Sources of Funds			Operating Uses of Funds		
Fare Revenues (TheBus and Rail)		2,098	TheBus O&M Costs		5,459
Fare Revenues (TheHandi-Van)		60	Rail O&M Costs		1,613
Subtotal Fare Revenues		\$2,158	TheHandi-Van O&M Costs		1,310
FTA Section 5307 Formula Funds Used for Preventative Maintenance		247	Other O&M Costs		55
FTA Section 5316 (JARC) and 5317 (New Freedom)		20			
Transfer from Project Cash Balance to Rail O&M Cost		140			
City Operating Subsidy		5,871			
TOTAL OPERATING SOURCES OF FUNDS		\$8,436	TOTAL OPERATING USES OF FUNDS		\$8,436

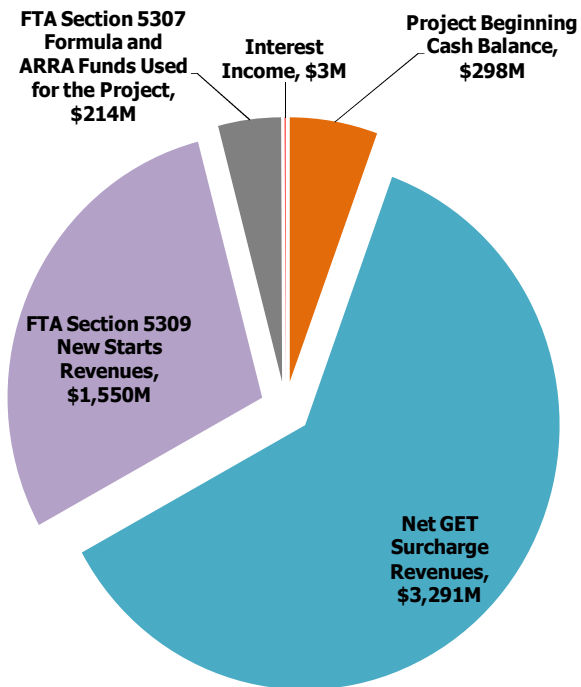
1/ Includes \$4M from American Recovery & Reinvestment Act of 2009

Note: totals may not add due to rounding

Source: 2012 Financial Plan

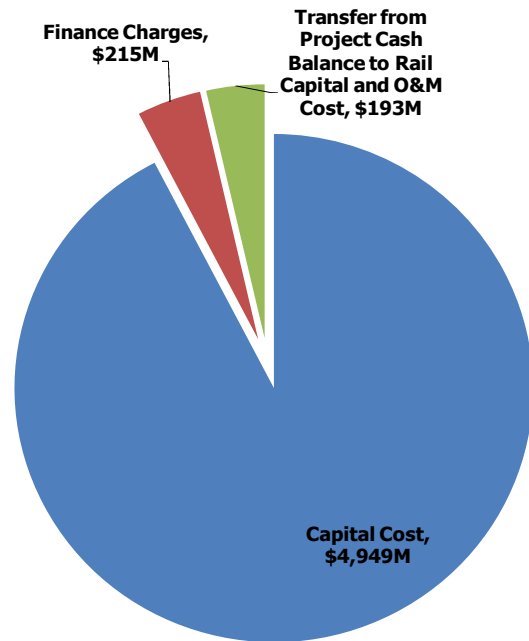
Project Sources and Uses of Funds, YOY \$millions

Where the Dollars Come From:



Note: Totals may not add due to rounding
ARRA = American Recovery and Reinvestment Act

Where the Dollars Go:



Source: Financial Plan, June 2012

Source: 2012 Financial Plan

SUMMARY OF HART FINANCIAL INFORMATION - FY2013 to FY2016

	FY2013 Actual	FY2014 Actual	FY2015 Budget	FY2015 Projection	FY2016 Budget
Total Budget					
Operating Budget	15,424,332	19,416,780	21,481,029	16,397,631	29,212,800
Capital Budget	309,364,744	326,672,087	1,560,404,400	632,580,000	1,477,058,200
Total Budget Request	324,789,076	346,088,867	1,581,885,429	648,977,631	1,506,271,000
Operating Expenses					
Personnel	9,927,964	11,268,354	13,843,425	10,935,670	14,019,000
Current expenses	5,477,839	8,148,426	7,631,604	5,461,961	7,187,800
Equipment & Software/Depreciation	18,529	36,622	6,000	18,000	6,000
Interest Expense	0	0	0	0	8,000,000
HART Operating Expense Total	15,424,332	19,453,402	21,481,029	16,415,631	29,212,800
Reimbursements to Other City Depts.					
Personnel & Current Expenses	636,541	403,155	1,021,401	437,410	1,021,400
City Overhead Contribution (CASE)	1,065,418	923,621	1,022,906	650,995	1,010,100
City Depts. Reimbursements Total	1,701,959	1,326,775	2,044,307	1,088,405	2,031,500
H RTP Capital Expenses					
Consultant Services	88,583,364	54,250,912	26,989,500	58,000,000	26,653,600
Design Services	17,470,560	51,940,414	20,382,000	56,000,000	1,400,000
Programmatic Agreement	223,999	42,247	1,100,000	60,000	200,000
Utility Relocation	2,281,120	3,318,174	95,000,000	37,000,000	0
Construction, Const. Mgmt. & Inspections	157,894,967	203,858,305	1,017,676,300	406,000,000	143,976,100
Core Systems & Equipment	24,675,357	0	0	0	0
Land Acquisitions	17,346,427	12,840,014	126,700,000	75,500,000	0
Relocation	888,950	385,435	11,500,000	0	0
Public Art	0	0	0	0	0
Quality Audits	0	36,586	56,600	20,000	20,000
Contingency & Recertification & others	0	0	261,000,000	0	250,000,000
Re-Appropriations From FY 2015	0	0	0	0	1,054,808,500
HART Capital Program Total	309,364,744	326,672,087	1,560,404,400	632,580,000	1,477,058,200